DOCUMENTS RELATIFS AUX RELATIONS EXTÉRIEURES DU CANADA

DOCUMENTS ON CANADIAN EXTERNAL RELATIONS

92-02566/

CANADA

DOCUMENTS RELATIFS AUX RELATIONS EXTÉRIEURES DU CANADA

DOCUMENTS ON CANADIAN EXTERNAL RELATIONS

VOLUME 19

1953

Compilé par/Edited by
Donald Barry
University of Calgary

AFFAIRES EXTÉRIEURES ET
COMMERCE EXTÉRIEUR CANADA
EXTERNAL AFFAIRS AND
INTERNATIONAL TRADE CANADA

©Minister of Supply and Services Canada 1991 ©Ministre des Approvisionnements et Services Canada 1991

Available in Canada through
Associated Bookstores
and other booksellers
or by mail from
Canada Communication Group — Publishing
Ottawa, Canada K1A 0S9

En vente au Canada par l'entremise des
Librairies associées
et autres libraires
ou par la poste auprès du
Groupe Communication Canada — Édition
Ottawa (Canada) K1A 0S9

Catalogue No. E2-39/1991-19
ISBN 0-660-56478-5

Nº de catalogue E2-39/1991-19
ISBN 0-660-56478-5

TABLE DES MATIÈRES
CONTENTS

	PAGE
INTRODUCTION	xiv
PROVENANCE DES DOCUMENTS	xxiii
LISTE DES ABRÉVIATIONS	xxv
LISTE DES PERSONNALITÉS	xxvii
ILLUSTRATIONS	xli

Chapitre premier

CONDUITE DES RELATIONS EXTÉRIEURES

1. Désignation et titres royaux ... 1
2. Représentation diplomatique et consulaire
   a) Ceylan ... 4
   b) République Dominicaine et Haïti ... 5
   c) Indonésie ... 12
   d) Israël, Égypte, Liban, Syrie ... 13
   e) Espagne ... 23
   f) Suisse ... 29
   g) États-Unis (Los Angeles et Seattle) ... 32
3. Immunités diplomatiques pour les représentants du Commonwealth au Canada ... 37

Chapitre II

CONFLIT CORÉEN

1. Procès des prisonniers de guerre ... 39
2. Corée : sécurité collective ... 48
3. Forces de sécurité ... 55
4. Négociations en vue de l'armistice ... 56

Chapitre III

NATIONS UNIES

1. Septième session de l'Assemblée générale, deuxième partie, 24 février-23 avril 1953
   a) Ordre du jour ... 281
   b) Tunisie ... 283

	PAGE
INTRODUCTION	xv
LOCATION OF DOCUMENTS	xxiii
LIST OF ABBREVIATIONS	xxv
LIST OF PERSONS	xxvii
ILLUSTRATIONS	xli

Chapter I

CONDUCT OF EXTERNAL RELATIONS

1. Royal Style and Titles ... 1
2. Diplomatic and Consular Representation
   a) Ceylon ... 4
   b) Dominican Republic and Haiti ... 5
   c) Indonesia ... 12
   d) Israel, Egypt, Lebanon, Syria ... 13
   e) Spain ... 23
   f) Switzerland ... 29
   g) United States (Los Angeles and Seattle) ... 32
3. Diplomatic Immunities for Commonwealth Representatives in Canada ... 37

Chapter II

KOREAN CONFLICT

1. Trials of Prisoners of War ... 39
2. Korea: Collective Security ... 48
3. Security Forces ... 55
4. Armistice Negotiations ... 56

Chapter III

UNITED NATIONS

1. Seventh Session of the General Assembly, Second Part, February 24-April 23, 1953
   a) Agenda ... 281
   b) Tunisia ... 283

c) Politique à l'égard du personnel ... 292
d) Troupes nationalistes chinoises en Birmanie ... 297
e) Nomination du secrétaire général .. 315
f) Évaluation ... 326

2. Huitième session de l'Assemblée générale, première partie, 15 septembre-9 décembre 1953
a) Élections aux organes principaux des Nations Unies ... 332
b) Instructions à la délégation canadienne ... 337
c) Fonds spécial des Nations Unies pour le développement économique 340
d) Société financière internationale ... 350
e) Troupes nationalistes chinoises en Birmanie ... 357
f) Politique à l'égard du personnel ... 375
g) Tunisie et Maroc ... 405
h) Évaluations ... 420

3. Conseil économique et social, seizième session, première partie, 30 juin-5 août 1953 : élections ... 446
4. Désarmement ... 447
5. Office de secours et de travaux des Nations Unies pour les réfugiés de Palestine ... 496
6. Fonds international des Nations Unies pour le secours de l'enfance ... 515
7. Programme élargi d'assistance technique ... 520

Chapitre IV

ORGANISATIONS ET CONFÉRENCES INTERNATIONALES

1. Institutions spécialisées des Nations Unies
a) Organisation internationale du travail
i) Budget ... 544
ii) Barème des contributions ... 551
iii) Conseil d'administration ... 562

c) Personnel Policy ... 292
d) Chinese Nationalist Troops in Burma ... 297
e) Appointment of Secretary-General . 315
f) Assessment ... 326

2. Eighth Session of the General Assembly, First Part, September 15-December 9, 1953
a) Elections to Principal Organs ... 332
b) Instructions to the Canadian Delegation ... 337
c) Special United Nations Fund for Economic Development ... 340
d) International Finance Corporation .. 350
e) Chinese Nationalist Troops in Burma ... 357
f) Personnel Policy ... 375
g) Tunisia and Morocco ... 405
h) Assessments ... 420

3. Economic and Social Council, Sixteenth Session, First Part, June 30-August 5, 1953: Elections ... 446
4. Disarmament ... 447
5. United Nations Relief and Works Agency for Palestine Refugees ... 496
6. United Nations International Children's Emergency Fund ... 515
7. Expanded Programme of Technical Assistance ... 520

Chapter IV

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

1. United Nations Specialized Agencies
a) International Labour Organization
i) Budget ... 544
ii) Scale of Assessments ... 551
iii) Governing Body ... 562

b) Fonds monétaire international : expulsion possible de la Tchécoslovaquie 566

c) Organisation des Nations Unies pour l'éducation, la science et la culture, deuxième session extraordinaire de la Conférence générale, 1er-4 juillet 1953 574

d) Organisation mondiale de la santé, sixième Assemblée mondiale de la santé, 5-22 mai 1953 576

2. Autres organisations

a) Accord général sur les tarifs douaniers et le commerce

i) Accession du Japon 605

ii) Huitième session des parties contractantes, 17 septembre-24 octobre 1953 612

b) Accord international sur le sucre... 621

c) Accord international sur le blé 643

Chapitre V

ORGANISATION DU TRAITÉ DE L'ATLANTIQUE NORD

1. État de l'Alliance 689

2. Réunion ministérielle du Conseil de l'Atlantique Nord, Paris, 23-25 avril 1953 700

3. Consultation politique 714

4. Crise de Trieste 762

5. Projet de création d'une assemblée de parlementaires 771

6. Communauté européenne de défense .. 783

7. Sécurité dans le Pacifique 791

8. Réunion ministérielle du Conseil de l'Atlantique Nord, Paris, 14-16 décembre 1953 807

b) International Monetary Fund: Possible Expulsion of Czechoslovakia... 566

c) United Nations Educational, Scientific and Cultural Organization, Second Extraordinary Session of the General Conference, July 1-4, 1953 574

d) World Health Organization, Sixth World Health Assembly, May 5-22, 1953 576

2. Other Organizations

a) General Agreement on Tariffs and Trade

i) Accession of Japan 605

ii) Eighth Session of the Contracting Parties, September 17-October 24, 1953 612

b) International Sugar Agreement 621

c) International Wheat Agreement 643

Chapter V

NORTH ATLANTIC TREATY ORGANIZATION

1. State of the Alliance 689

2. Ministerial Meeting of the North Atlantic Council, Paris, April 23-25, 1953 .. 700

3. Political Consultation 714

4. Trieste Crisis 762

5. Proposed Parliamentary Assembly 771

6. European Defence Community 783

7. Pacific Security 791

8. Ministerial Meeting of the North Atlantic Council, Paris, December 14-16, 1953 807

Chapitre VI

AVIATION CIVILE

1. Organisation de l'aviation civile internationale
   a) Procédures pour le contrôle de la loyauté aux États-Unis 829
   b) Septième session de l'Assemblée générale, Brighton, 16 juin-6 juillet 1953 831
2. Relations avec des pays particuliers
   a) Australie 845
   b) Mexique 847
   c) Pérou 874
   d) Royaume-Uni 884

Chapitre VII

RELATIONS AVEC LE COMMONWEALTH

1. Réunion des premiers ministres du Commonwealth, Londres, 3-10 juin 1953 893
2. Visite du premier ministre 897
3. Plan de Colombo
   a) Visite annuelle de l'administrateur canadien en Asie du Sud 909
   b) Réunion du comité consultatif, New Delhi, 28 septembre-18 octobre 1953 917
   c) Ceylan 934
   d) Inde 938
   e) Pakistan
      i) Projets 947
      ii) Blé 953
4. Relations avec des pays particuliers: Royaume-Uni
   a) Questions économiques 961
   b) Câble téléphonique transatlantique 973

Chapter VI

CIVIL AVIATION

1. International Civil Aviation Organization
   a) United States Loyalty Procedures .. 829
   b) Seventh Session of the General Assembly, Brighton, June 16-July 6, 1953 831
2. Relations with Individual Countries
   a) Australia 845
   b) Mexico 847
   c) Peru 874
   d) United Kingdom 884

Chapter VII

COMMONWEALTH RELATIONS

1. Meeting of Commonwealth Prime Ministers, London, June 3-10, 1953 ... 893
2. Prime Minister's Tour 897
3. Colombo Plan
   a) Annual Visit to South Asia by Canadian Administrator 909
   b) Meeting of Consultative Committee, New Delhi, September 28-October 18, 1953 917
   c) Ceylon 934
   d) India 938
   e) Pakistan
      i) Projects 947
      ii) Wheat 953
4. Relations with Individual Countries: United Kingdom
   a) Economic Issues 961
   b) Trans-Atlantic Telephone Cable.... 973

Chapitre VIII

RELATIONS AVEC LES ÉTATS-UNIS

1. Le président Eisenhower 980
2. Politique étrangère de l'administration Eisenhower 981
3. Rencontres entre le premier ministre et le président
   - a) Washington, D.C., 7-9 mai 1953... 989
   - b) Ottawa, 13-14 novembre 1953 1011
4. Questions de défense
   - a) Accord sur l'interception d'aéronefs 1019
   - b) Avion intercepteur supersonique tous temps - CF105 1024
   - c) Commandement du Nord-Est....... 1025
   - d) Goose Bay 1027
   - e) Torbay.............................. 1028
   - f) Stations Loran à Terre-Neuve et au Labrador............................. 1031
   - g) Système de défense radar : réseau Pinetree.............................. 1032
   - h) Souveraineté dans l'Arctique....... 1047
   - i) Le réseau d'alerte avancé et la ligne Mid-Canada 1053
   - j) Pipeline Haines-Fairbanks 1105
   - k) Stations météorologiques de l'Arctique.................................. 1118
   - l) Bandes d'atterrissage de l'Arctique 1121
   - m) La station Loran de l'Île de Baffin 1122
5. Questions économiques
   - a) Voie maritime du Saint-Laurent.... 1123
   - b) Produits laitiers 1177
   - c) Produits carnés...................... 1197
   - d) Gaz naturel.......................... 1202
   - e) Plomb et zinc 1216
   - f) La Commission mixte canado-américaine du commerce et des affaires économiques et le projet d'étude sur le libre-échange 1224
   - g) Avoine et filets de poissons de fond 1237

Chapter VIII

RELATIONS WITH THE UNITED STATES

1. President Eisenhower 980
2. Foreign Policy of the Eisenhower Administration.............................. 981
3. Meetings between the Prime Minister and the President
   - a) Washington, D.C., May 7-9, 1953 . 989
   - b) Ottawa, November 13-14, 1953.... 1011
4. Defence Issues
   - a) Agreement on Aircraft Interception 1019
   - b) Supersonic All-Weather Interceptor Aircraft - CF105 1024
   - c) Northeast Command 1025
   - d) Goose Bay 1027
   - e) Torbay............................... 1028
   - f) Loran Stations in Newfoundland and Labrador 1031
   - g) Radar Defence System: Pinetree Line................................. 1032
   - h) Arctic Sovereignty 1047
   - i) Distant Early Warning System and Mid-Canada Line 1053
   - j) Haines-Fairbanks Pipeline 1105
   - k) Arctic Weather Stations 1118
   - l) Arctic Air Strips 1121
   - m) Loran Station, Baffin Island........ 1122
5. Economic Issues
   - a) St. Lawrence Seaway 1123
   - b) Dairy Products 1177
   - c) Meat Products........................ 1197
   - d) Natural Gas 1202
   - e) Lead and Zinc........................ 1216
   - f) Joint Canada-United States Committee on Trade and Economic Affairs and Proposed Study of Free Trade 1224
   - g) Oats and Groundfish Fillets 1237

6. Pêcheries : Convention sur les pêcheries de flétan du Pacifique nord 1259
7. Le système des Grands Lacs
a) Le barrage Gut 1261
b) Le lac Long et le détournement de l'Ogoki 1292
c) Les chutes du Niagara 1297

Chapitre IX

EUROPE DE L'OUEST ET MOYEN-ORIENT

1. Europe de l'Ouest : généralités
a) Relations avec la Communauté européenne du charbon et de l'acier.. 1299
b) Conférence européenne des ministres des Transports 1304
c) Organisation européenne de coopération économique 1308
d) Inondations catastrophiques en Europe 1360
2. Relations avec des pays particuliers
a) Belgique : restrictions relatives aux importations 1362
b) France
i) Visite de ministres français à Ottawa, 29-31 mars 1953 1377
ii) Visite d'une mission commerciale française à Ottawa, 15-16 octobre 1953 1386
c) République fédérale d'Allemagne
i) Dette extérieure de l'Allemagne 1393
ii) Visite du chancelier à Ottawa, 17-18 avril 1953 1397
d) Grèce
i) Importations hors-programme .. 1402
ii) Secours aux sinistrés du tremblement de terre 1405
e) Italie : élections 1410
f) Pays-Bas : prêt à l'Indonésie 1415
g) Turquie : relations commerciales ... 1422

6. Fisheries: North Pacific Halibut Fishery Convention 1259
7. Great Lakes System
a) Gut Dam 1261
b) Long Lac and Ogoki Diversion 1292
c) Niagara Falls 1297

Chapter IX

WESTERN EUROPE AND THE MIDDLE EAST

1. Western Europe: General
a) Liaison with the European Coal and Steel Community 1299
b) European Conference of Ministers of Transport 1304
c) Organization for European Economic Cooperation.............. 1308
d) European Flood Disasters 1360
2. Relations with Individual Countries
a) Belgium: Import Restrictions....... 1362
b) France
i) Visit of French Ministers to Ottawa, March 29-31, 1953....... 1377
ii) Visit of French Trade Delegation to Ottawa, October 15-16, 1953 1386
c) Federal Republic of Germany
i) German External Debts......... 1393
ii) Visit of Chancellor to Ottawa, April 17-18, 1953............... 1397
d) Greece
i) Off-Programme Imports 1402
ii) Earthquake Relief............... 1405
e) Italy: Elections 1410
f) The Netherlands: Loan to Indonesia 1415
g) Turkey: Trade Relations 1422

3. Moyen-Orient
   a) Établissement de la République d'Égypte 1427
   b) Israël
      i) Exportations d'armes 1428
      ii) Immigration 1443
   c) Établissement de la République de Syrie 1445

Chapitre X

RELATIONS AVEC L'UNION SOVIÉTIQUE ET L'EUROPE DE L'EST

1. Union soviétique
   a) Orientations de la politique 1449
   b) Nomination d'ambassadeurs 1481
   c) Aide mutuelle 1491
   d) Mines de nickel de Petsamo 1517
   e) Restrictions relatives aux voyages 1525
2. Tchécoslovaquie : relations commerciales et financières 1529
3. Pologne
   a) Trésors artistiques 1535
   b) Évaluation en douane 1551

Chapitre XI

EXTRÊME-ORIENT

1. Situation en Indochine 1562
2. Relations avec le Japon
   a) Secours aux sinistrés des inondations 1583
   b) Négociations commerciales 1587

Chapitre XII

AMÉRIQUE LATINE

1. Généralités
   a) Mission commerciale de bonne entente 1605
   b) Organisation des États américains 1613
2. Relations avec des pays particuliers
   a) Brésil : arriérés commerciaux 1624

3. Middle East
   a) Establishment of Republic of Egypt 1427
   b) Israel
      i) Export of Arms 1428
      ii) Immigration 1443
   c) Establishment of Republic of Syria 1445

Chapter X

RELATIONS WITH THE SOVIET UNION AND EASTERN EUROPE

1. The Soviet Union
   a) Policy Trends 1449
   b) Appointment of Ambassadors 1481
   c) Mutual Aid 1491
   d) Petsamo Nickel Mines 1517
   e) Travel Restrictions 1525
2. Czechoslovakia: Trade and Financial Relations 1529
3. Poland
   a) Art Treasures 1535
   b) Customs Valuation 1551

Chapter XI

FAR EAST

1. Situation in Indochina 1562
2. Relations with Japan
   a) Flood Relief 1583
   b) Trade Negotiations 1587

Chapter XII

LATIN AMERICA

1. General
   a) Goodwill Trade Mission 1605
   b) Organization of American States... 1613
2. Relations with Individual Countries
   a) Brazil: Commercial Arrears 1624

b) Colombie : reconnaissance de gouvernement 1631

c) Uruguay : restrictions relatives aux importations 1634

b) Colombia: Recognition of Government 1631

c) Uruguay: Import Restrictions....... 1634

INTRODUCTION

INTRODUCTION

La reconduction du gouvernement du premier ministre L.S. Saint-Laurent au terme des élections générales du 10 août 1953 et le maintien de L.B. Pearson aux Affaires extérieures ont permis au ministère des Affaires extérieures et à ses maîtres politiques de continuer à travailler en étroite relation, comme ils le faisaient depuis quelques années. Cependant, tout en bénéficiant de la continuité au niveau politique, le ministère des Affaires extérieures a connu plusieurs changements au niveau des postes clés de son administration.

En juillet, M. Dana Wilgress, qui avait été nommé sous-secrétaire l'année précédente, a quitté ce poste pour devenir représentant permanent auprès du Conseil de l'Atlantique Nord, à Paris. M. Hume Wrong, ambassadeur aux États-Unis, a été choisi pour le remplacer en tant que sous-secrétaire. M. Arnold Heeney lui a succédé comme ambassadeur à Washington. Comme il était souffrant au moment de sa nomination, M. Wrong n'a commencé à assumer ses fonctions que le 1er novembre. Deux semaines plus tard, sa santé se détériorant, il démissionnait. Il devait décéder en janvier 1954. En son absence, c'est le sous-secrétaire adjoint Charles Ritchie qui a dirigé le Ministère à titre intérimaire. Autre changement, en octobre, M. John Holmes était nommé sous-secrétaire adjoint, en remplacement de M. Jules Léger, nommé ambassadeur au Mexique.

Le Moyen-Orient occupait une place importante dans les projets d'ouverture de nouvelles missions à l'étranger (Chapitre Premier). L'accréditation d'un ministre israélien au Canada et la nécessité pour le gouvernement de prendre position sur les problèmes israélo-arabes aux Nations Unies ont renforcé le souhait du Ministère de créer ses propres méthodes d'évaluation des événements dans la région.

La guerre de Corée a continué d'être l'une des grandes priorités du gouvernement (Chapitre II). Avant la conclusion de la convention d'armistice, le 27 juillet, les Affaires extérieures réfléchissaient aux incidences du conflit sur la sécurité collective. Un document du Ministère (document 53) faisait remarquer que, bien que l'on ait espéré que l'expérience renforcerait le principe d'une action collective par le biais des Nations Unies, on se montrait pessimiste quant aux résultats. Incapable d'influer sur le comportement des belligérants, le Canada concentrait surtout ses efforts diplomatiques sur les États-Unis, autour desquels les forces des Nations Unies s'étaient ralliées. Toutefois, Ottawa exerçait une influence limitée sur la politique américaine, d'où la conclusion que les États participant à une action collective devaient se mettre d'accord sur des mécanismes de consultation plus efficaces.

D'autres points de l'ordre du jour de l'Assemblée générale de l'ONU présentaient un intérêt moins immédiat pour le Canada (Chapitre III). En conséquence, la délégation canadienne a joué un rôle plus secondaire que l'année précédente. Elle s'est manifestée, entre autres, à propos de la politique en matière de gestion du personnel et sur la question de la présence des troupes de la Chine nationaliste en Birmanie. Elle a aussi participé activement au débat sur le désarmement, le ministère de la Défense nationale ayant surmonté ses premières réticences à prendre part à la définition d'une politique canadienne en la matière. En avril, M. Dag Hammarskjöld était nommé secrétaire général, son prédécesseur, M. Trygve Lie, ayant démissionné. M. Pearson figurait parmi les favoris pour le poste, mais l'Union soviétique a opposé son veto à sa nomination (document 258).

INTRODUCTION

The return of Prime Minister L.S. St. Laurent's government in the August 10, 1953 general election and the reappointment of L.B. Pearson to the External Affairs portfolio ensured the continuation of the close working relationship that had developed in the preceding years between the Department of External Affairs and its political masters. But while the department enjoyed the benefit of continuity at the political level it experienced several changes within its own senior ranks.

In July Dana Wilgress, who had been appointed Under-Secretary the previous year, left that post to become permanent representative to the North Atlantic Council in Paris. Hume Wrong, the Ambassador to the United States, was chosen to replace Wilgress as Under-Secretary. Arnold Heeney succeeded Wrong as Ambassador in Washington. Wrong, at the time of his appointment, was unwell and did not take up his duties until November 1. He served only two weeks before his health failed and he died in January 1954. In Wrong's absence Charles Ritchie, the Deputy Under-Secretary, headed the Department in an acting capacity. Another change was the appointment in October of John Holmes as Assistant Under-Secretary. He replaced Jules Léger who became Ambassador to Mexico.

An important focus of plans for the establishment of new missions abroad was the Middle East (Chapter I). The accreditation of an Israeli minister to Canada and the need for the government to take positions on Arab-Israeli issues at the United Nations contributed to the Department's desire to create its own means of assessing developments in the region.

The conflict in Korea continued to be one of the government's leading international priorities (Chapter II). Before the armistice agreement was concluded on July 27, External Affairs reflected on the collective security implications. A departmental paper (document 53) observed that although it had been hoped that the experience would strengthen the principle of collective action through the United Nations, there was pessimism about the results. Since Canada lacked the capacity to influence the behaviour of the opposing powers, the United States, around which the United Nations forces had been arrayed, had been the principal focus of its diplomacy. Ottawa's influence on American policy, however, had been limited, leading to the conclusion that there was a need for more effective arrangements for consultation among states participating in collective action.

Other items on the United Nations General Assembly agenda were of less immediate concern to Canada (Chapter III). Consequently, the Canadian delegation played a less prominent role than it had the previous year. Among the subjects in which the delegation was primarily involved were personnel policy and the issue of Chinese Nationalist troops in Burma. The delegation was also actively involved in the discussion of disarmament, the Department of National Defence having overcome its earlier reluctance to participate in the development of Canadian policy on the subject. In April Dag Hammarskjöld was appointed Secretary-General following the resignation of Trygve Lie. Pearson was a leading candidate for the post, but he was vetoed by the Soviet Union (document 258).

Le gouvernement s'est vivement intéressé aux opérations des Nations Unies et de ses institutions spécialisées (Chapitre IV). Comme les exemples de l'Organisation internationale du travail et de l'Organisation mondiale de la santé le démontrent, les délégations canadiennes ont toujours insisté sur l'importance d'une gestion compatible avec les objectifs des organismes et avec la volonté des États membres de fournir le soutien financier nécessaire, de façon équitable.

Bien que la consultation demeurât une priorité à l'OTAN (Chapitre V), les représentants du Canada reconnaissaient qu'il serait plus difficile d'obtenir un consensus sur des questions importantes au Conseil de l'Atlantique Nord si les grandes puissances ne s'entendaient pas préalablement sur ces questions (document 484). On acceptait donc de commencer normalement par des consultations bilatérales, en dehors du Conseil. Le gouvernement a également examiné une proposition de la Norvège sur la création d'une assemblée parlementaire de l'OTAN. Après avoir exprimé un intérêt initial pour l'idée, il a décidé d'appuyer une autre proposition demandant la mise en place de modes de communication non officiels entre l'Organisation et des parlementaires des États membres.

Des accords sur les services aériens ont été conclus avec le Mexique et le Pérou (Chapitre VI). Redoutant une nouvelle campagne visant à déménager de Montréal le siège de l'Organisation de l'aviation civile internationale, le gouvernement a dépêché une nombreuse délégation à la septième session de l'Assemblée de l'Organisation, qui se tenait en juin, à Brighton (Angleterre). Cependant, la question n'a pas été soulevée.

Les chefs de gouvernement du Commonwealth se sont réunis à Londres en juin, après le couronnement de la reine Elizabeth II, pour discuter de la situation internationale (Chapitre VII). À cette occasion, M. Saint-Laurent a accepté, non sans hésitation, une invitation du premier ministre Jawaharlal Nehru à se rendre en Inde l'année suivante. Ce voyage, dont les préparatifs ont commencé en septembre, a finalement comporté plusieurs étapes en Europe et en Asie. Ottawa a suivi de très près le Plan de Colombo. Les programmes d'aide financière et technique à l'Inde, au Pakistan et à Ceylan ont été adoptés et des négociations sur de futurs projets, entamées.

Les questions économiques et stratégiques ont dominé l'ordre du jour canado-américain (Chapitre VIII). Ottawa s'inquiétait quelque peu du manque d'enthousiasme apparent du nouveau gouvernement républicain pour la libéralisation du commerce multilatéral. Ce sentiment s'est accentué quand un certain nombre d'exportations canadiennes vers les États-Unis se sont trouvées menacées, suite à un regain de pressions protectionnistes dans ce pays. M. Saint-Laurent a exprimé son inquiétude quant à la politique commerciale américaine lorsque, accompagné de M. Pearson, il a rencontré le président Dwight Eisenhower et les membres de son gouvernement, à Washington, en mai. À la surprise des Canadiens, leurs hôtes leur ont proposé d'envisager un libre-échange bilatéral. Ottawa a refusé l'ouverture, mais, donnant suite à une suggestion faite par M. Pearson à la même rencontre de mai, les deux gouvernements ont mis sur pied la Commission mixte canado-américaine du commerce et des affaires économiques.

The government took a great interest in the operations of the United Nations and its Specialized Agencies (Chapter IV). As the examples of the International Labour Organization and the World Health Organization show, Canadian delegations consistently promoted the importance of sound administrative practices consistent with the agencies' purposes and the willingness of member states to provide the necessary financial support on an equitable basis.

Consultation remained a priority in NATO (Chapter V), but Canadian officials recognized that discussion of major issues in the North Atlantic Council before agreement had been reached among the leading powers would make consensus more difficult to achieve (document 484). In such instances it was accepted that consultations would normally be initiated on a bilateral basis outside of the Council. The government also considered a Norwegian proposal for the creation of a NATO parliamentary assembly. After initially expressing interest in the idea it decided to support another proposal calling for informal methods of contact between the organization and parliamentarians from the member states.

Air services agreements were concluded with Mexico and Peru (Chapter VI). Anticipating the renewal of a campaign to remove the headquarters of the International Civil Aviation Organization from Montreal, the government despatched a strong delegation to the Seventh Session of the agency's Assembly held in Brighton, England in June. However, the issue did not arise.

Commonwealth heads of government met in London in June, following the coronation of Queen Elizabeth II, to discuss the international situation (Chapter VII). During the meetings St. Laurent tentatively accepted an invitation from Prime Minister Jawaharlal Nehru to visit India the following year. This journey, for which planning began in September, eventually grew to include a number of stops in Europe and Asia. Colombo Plan matters received considerable attention in Ottawa. Capital and technical assistance programmes for India, Pakistan and Ceylon were approved and negotiations for future projects undertaken.

Economic and strategic issues dominated the Canadian-American agenda (Chapter VIII). Ottawa viewed with some alarm the new Republican administration's apparent lack of enthusiasm for multilateral trade liberalization. This was reinforced by a surge of protectionist pressures in the United States which threatened a number of Canadian exports to that country. St. Laurent expressed concern about American commercial policy when he and Pearson met with President Dwight Eisenhower and his cabinet colleagues in Washington in May. The Americans surprised their Canadian visitors by proposing that their governments study the feasibility of bilateral free trade. Ottawa rejected the overture but the two governments followed up a suggestion made by Pearson at the May summit meeting by establishing the Joint United States-Canadian Committee on Trade and Economic Affairs.

North American air defence collaboration continued to expand in response to the Soviet Union's growing military capabilities. In early 1953 Ottawa agreed to permit the building of two experimental radar stations on Canadian territory to test the feasibility of an early warning radar system in the far north. Studies carried out in the United States that summer recommended the construction of an early warning line along the 55th parallel to be followed by a distant early warning system when

La collaboration en matière de défense aérienne de l'Amérique du Nord s'est accrue face aux capacités militaires croissantes de l'Union soviétique. Début 1953, Ottawa a décidé d'autoriser la construction sur le territoire canadien, de deux stations radar expérimentales qui permettraient de voir si l'implantation d'un réseau radar de préalerte dans le Grand Nord était faisable. Des études réalisées cet été-là aux États-Unis recommandaient la construction d'un tel réseau le long du 55e parallèle, suivie de celle d'un réseau d'alerte avancé si nécessaire. Les Américains ne tardèrent pas ensuite à demander l'installation d'une ligne de radars Mid-Canada. Saisissant l'occasion, M. Brooke Claxton, ministre de la Défense nationale, proposa que le Canada construise seul cette ligne, espérant ainsi favoriser l'emploi de techniques canadiennes dans la défense continentale et renforcer la position du Canada quand il aurait à répondre à de futures demandes des États-Unis. Le Comité ministériel de la défense appuyait la proposition du ministre.

Quoique soutenant en général le principe d'une intégration européenne, le Canada n'intervenait guère à ce sujet (Chapitre IX). Les Affaires extérieures décidèrent de ne pas recommander l'accréditation d'une délégation auprès de la Haute Autorité de la Communauté européenne du charbon et de l'acier, pensant que les intérêts canadiens ne justifiaient pas une telle représentation. Le Canada s'intéressait davantage aux travaux de l'Organisation européenne de coopération économique, notamment aux débats sur une approche collective de la convertibilité monétaire et à ceux consacrés à la libéralisation du commerce. Au Moyen-Orient, le principal pôle d'attention était la vente d'armes à Israël.

Les relations avec l'URSS se sont quelque peu améliorées après la mort de Joseph Staline, en mars (Chapitre X). L'assouplissement des restrictions aux déplacements des diplomates à l'intérieur de ce pays et la nomination d'un ambassadeur à Ottawa en étaient les signes les plus évidents. Le gouvernement canadien a répondu en assouplissant l'obligation de rendre compte de leurs déplacements à l'intérieur du Canada que lui-même faisait aux représentants soviétiques et en acceptant d'envoyer un ambassadeur à Moscou. La détente a également permis de régler deux vieilles plaintes canadiennes concernant les mines de nickel de Petsamo et l'aide mutuelle.

Le Canada s'est montré prudent sur la question indochinoise (Chapitre XI). Bien qu'il ait accordé une reconnaissance conditionnelle au Laos, au Cambodge et au Vietnam à la fin de 1952, le gouvernement n'a pas cherché à être invité à la Conférence de Honolulu, qui a eu lieu en avril et où les cinq puissances militaires se sont penchées sur la planification stratégique pour l'Asie du Sud-Est. Toutefois, Ottawa était prêt à examiner favorablement des demandes d'aide technique formulées par les trois États dans le cadre du Plan de Colombo. Les relations avec le Japon portaient essentiellement sur les dispositions à prendre pour que ce pays participe à l'Accord général sur les tarifs douaniers et le commerce (GATT), et sur les préparatifs à l'application réciproque de la clause de la nation la plus favorisée.

Le Canada a accru ses relations avec l'Amérique latine en y envoyant une mission commerciale de bonne entente conduite par le ministre du Commerce, M. C.D. Howe (Chapitre XII). Cette mission, qui a parcouru le continent pendant cinq semaines, a ravivé aux Affaires extérieures le débat sur la possible adhésion du Canada à l'Organisation des États américains. Le sentiment qui l'emportait était

required. An American request for the creation of a mid-Canada radar fence soon followed. Seizing the initiative, Brooke Claxton, the Minister of National Defence, proposed that Canada build the mid-Canada line by itself in the expectation that doing so would enhance the use of Canadian technology in continental defence and strengthen Canada's hand in dealing with further American requests. The Cabinet Defence Committee supported the minister's proposal.

Although the Canadian government expressed general support for the principle of European integration it was not a subject in which Ottawa was actively engaged (Chapter IX). External Affairs decided not to recommend that a delegation be accredited to the High Authority of the European Coal and Steel Community in the belief that Canada's interests did not justify such representation. Canada showed more interest in the work of the Organization for European Economic Cooperation, especially in discussions of the collective approach to currency convertibility, and in deliberations concerning trade liberalization. In the Middle East, the main issue receiving attention was the sale of arms to Israel.

Relations with the Soviet Union improved somewhat following the death of Joseph Stalin in March (Chapter X). The most visible signs were the easing of travel restrictions for diplomats in that country and the appointment of an ambassador to Ottawa. The Canadian government responded by relaxing its own travel reporting requirements for Soviet officials and by agreeing to appoint an ambassador to Moscow. The thaw also made it possible to settle two long standing Canadian claims concerning the Petsamo nickel mines and mutual aid.

Canada pursued a cautious approach to developments in Indochina (Chapter XI). Although the government had extended qualified recognition to Laos, Cambodia and Vietnam in late 1952, it did not seek an invitation to the five-power military conference held in Honolulu in April which dealt with strategic planning for South East Asia. However, Ottawa was prepared to respond sympathetically to requests from the three states for technical assistance under the Colombo Plan. Relations with Japan focused on arrangements for that country's participation in the General Agreement on Tariffs and Trade and the exchange of most-favoured-nation treatment.

Canada extended its relations with Latin America through the despatch of a five-week Trade and Goodwill Mission, headed by the Minister of Trade and Commerce, C.D. Howe (Chapter XII). This event led to renewed debate in External Affairs about the possibility of Canadian participation in the Organization of American States. The prevailing view was that Canada's relations with countries in the region were best pursued on a bilateral basis.

The guidelines followed in selecting documents for this volume are outlined in the Introductions to Volume 7 (pp. ix-xi) and Volume 18 (pp. xxi-xxiii). The bulk of the selection was drawn from the files of the Department of External Affairs. The L.B. Pearson Papers were a valuable source as were the records of the Privy Council Office. Much less useful were the L.S. St. Laurent Papers. Other collections were consulted when required to complete the consideration of individual subjects.

qu'il valait mieux, pour nous, poursuivre des relations bilatérales avec les pays de la région.

Les principes directeurs suivis pour sélectionner les documents présentés dans le présent volume sont exposés dans les introductions des volumes 7 (p. ix-xi) et 18 (p. xxi-xxiii). Le gros des documents est tiré des dossiers du ministère des Affaires extérieures. Les archives de M. L.B. Pearson se sont révélées une source précieuse, tout comme celles du Bureau du Conseil privé. Celles de M. L.S. Saint-Laurent ont beaucoup moins servi. D'autres ont été consultées lorsque c'était nécessaire pour l'étude de différents sujets.

Les signes typographiques sont les mêmes que ceux décrits dans l'introduction du volume 9 (p. xix). Ainsi, une croix (†) signifie que le document n'est pas reproduit dans le présent volume; des points de suspension (...) indiquent une coupure dans le texte.

J'ai bénéficié d'un plein accès aux dossiers du dépôt central du ministère des Affaires extérieures, aux archives de M. L.B. Pearson et à celles de M. L.S. Saint-Laurent. Malheureusement, quand je l'ai consulté, le Bureau du Conseil privé (BCP) n'a pu me fournir d'instrument de recherche pour ses archives de 1953. En conséquence, les documents de cette source ont été sélectionnés parmi ceux choisis par le BCP. Les personnes chargées d'autres archives m'ont aimablement autorisé à les consulter au besoin. La Commission permanente canado-américaine de défense ne nous a pas transmis un des documents retenus pour publication; les documents 592, 593 et 594 ont été préparés par Affaires extérieures et Commerce extérieur Canada, conformément à la Loi sur l'accès à l'information et sur la protection des renseignements personnels.

Je remercie M. Arthur Blanchette, ancien directeur de la Direction des affaires historiques et M. John Hilliker, actuel chef de la Section historique pour leurs conseils et leur soutien. Mme Janet Bax, ancienne directrice de la Direction des relations internationales en matière d'éducation, et son successeur, M. Brian Long, ont grandement facilité la réalisation de ce volume. MM. E.A. Kelly et Christopher Cook m'ont aidé dans le choix initial des documents et ont accompli nombre de tâches de suivi. Mme Jeannette K. Fournier, ancienne superviseuse des documents semi-actifs du ministère, et ses collègues, ainsi que le personnel des Archives nationales du Canada se sont montrés des plus coopératifs. Mmes Isobel Cameron, Geneviève de Chantal, Gail Devlin, Jean Hage, Liza Linklater, Margarita Maffett et Islay Mawhinney se sont occupées de la préparation technique du volume. Mme Cameron a également choisi les photographies, préparé la liste des personnes et l'index. Le traitement de texte a été assuré par Mme Joanne Whissell. Mes plus sincères remerciements à tous.

DONALD BARRY

The editorial devices are similar to those described in the Introduction to Volume 9 (p. xix). A dagger (†) indicates that a document has not been printed in this volume; an ellipse (...) represents an editorial omission.

I was given full access to the available records in the Department of External Affairs central registry files, the L.B. Pearson Papers, and the L.S. St. Laurent Papers. Unfortunately, the Privy Council Office, at the time I consulted it, was unable to provide a finding aid for its collection for 1953. The selection of documents from that source, therefore, was taken from materials chosen by the PCO. Those responsible for other collections kindly gave permission to consult those records when requested. One document selected for publication was not released by the Permanent Joint Board on Defence; documents 592, 593 and 594 were edited by External Affairs and International Trade Canada in conformity with the Access to Information and Privacy Act.

For advice and support I am grateful to Arthur Blanchette, the former Director of the Historical Division, and to John Hilliker, the current Head of the Historical Section. Janet Bax, the former Director of the Academic Relations Division, and her successor, Brian Long, did much to facilitate the production of the volume. E.A. Kelly and Christopher Cook assisted me in the initial selection of documents and performed many follow up tasks. Jeannette K. Fournier, the former supervisor of the department's Semi-Active Records Unit, and her colleagues, and the staff of the National Archives of Canada were most cooperative. Technical preparation of the volume was carried out by Isobel Cameron, Geneviève de Chantal, Gail Devlin, Jean Hage, Liza Linklater, Margarita Maffett and Islay Mawhinney. Mrs. Cameron also chose the photographs and prepared the List of Persons and the Index. Word processing of the manuscript was by Joanne Whissell. To all I am most grateful.

DONALD BARRY

PROVENANCE DES DOCUMENTS[1]
LOCATION OF DOCUMENTS[1]

Documents de Brooke Claxton, Archives nationales (MG 32 B5)	B.C.	Brooke Claxton Papers, National Archives (MG 32 B5)
Documents de C.D. Howe, Archives nationales (MG 27 III B20)	C.D.H.	C.D. Howe Papers, National Archives (MG 27 III B20)
Dossiers de l'ambassade du Canada à Washington, Archives nationales (RG 25 B2)	C.E.W.	Canadian Embassy, Washington, Files, National Archives (RG 25 B2)
Dossiers du ministère des Affaires extérieures	DEA	Department of External Affairs Files
Dossiers du ministère des Finances, Archives nationales (RG 19)	DF	Department of Finance Files, National Archives (RG 19)
Dossiers du ministère du Commerce, Archives nationales (RG 20)	DTC	Department of Trade and Commerce Files, National Archives (RG 20)
Documents de L.B. Pearson, Archives nationales (MG 26 N1)	L.B.P.	L.B. Pearson Papers, National Archives (MG 26 N1)
Documents de L.S. Saint-Laurent, Archives nationales (MG 26 L)	L.S.L.	L.S. St. Laurent Papers, National Archives (MG 26 L)
Bureau du Conseil privé - conclusions du Cabinet et documents du Cabinet	PCO	Privy Council Office - Cabinet Conclusions and Cabinet Documents
Autres documents des archives du BCP	PCO/#	Other documents from PCO records

[1] Ceci est une liste des symboles utilisés pour indiquer la provenance des documents. Les cotes des collections déposées aux Archives nationales du Canada sont entre parenthèses.
This is a list of the symbols used to indicate the location of documents. The call numbers of collections deposited at the National Archives of Canada are in parentheses.

LISTE DES ABRÉVIATIONS
LIST OF ABBREVIATIONS

ANZAM	Australia, New Zealand and Malaya
ANZUS	Australia, New Zealand, United States
BAOR	British Army of the Rhine
BENELUX	Belgium, Netherlands, Luxembourg
BLEU	Belgium-Luxembourg Economic Union
CANAC	Permanent Delegation of Canada to North Atlantic Council, Paris
CANDEL	Canadian Delegation to General Assembly of United Nations, New York
CBC	Canadian Broadcasting Corporation
CC/CPSU	Central Committee of Communist Party of Soviet Union
CC/PCUS	Comité central du Parti communiste de l'Union soviétique
CPAL	Canadian Pacific Airlines
CPCAD	Commission permanente canado-américaine de défense
CPDUN	Canadian Permanent Delegation to United Nations, New York
CPSU	Communist Party of Soviet Union
CRO	Commonwealth Relations Office
CSC	Coal and Steel Community
DRB	Defence Research Board
ECAFE	Economic Commission for Asia and the Far East
ECE	Economic Commission for Europe
ECOSOC	Economic and Social Council of United Nations
ECSC	European Coal and Steel Community
EDC	European Defence Community
EPC	European Political Community
EPU	European Payments Union
FAO	Food and Agriculture Organization
FOB	Free on Board
FPC	Federal Power Commission
GATT	General Agreement on Tariffs and Trade/Accord général sur les tarifs douaniers et le commerce
IBRD	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organization
ICETP	Interdepartmental Committee on External Trade Policy
ICRC	International Committee of Red Cross
IFC	International Finance Corporation
IJC	International Joint Commission
ILO	International Labour Organization
IWA	International Wheat Agreement
JTP	Joint Trade and Payments
KLM	Royal Dutch Airlines
KMT	Kuomintang
MCC	Military Cooperation Committee (Canada-United States)
MEDO	Middle East Defence Organization
MIT	Massachusetts Institute of Technology
NATIS	North Atlantic Treaty Organization Information Service
NGO	Non-Governmental Organization
NNRC	Neutral Nations Repatriation Commission
OACI	Organisation de l'aviation civile internationale
OAS	Organization of American States
OEEC	Organization for European Economic Cooperation
ONU	Organisation des Nations Unies
OTAN	Organisation du Traité de l'Atlantique Nord
PASO	Pan-American Sanitary Organization
PERMDEL	Permanent Delegation of Canada to United Nations, New York

PJBD	Permanent Joint Board on Defence
POW	Prisoner[s] of War
QR	Quantitive/Quota Restrictions
RCMP	Royal Canadian Mounted Police
ROK	Republic of Korea
SACEUR	Supreme Allied Commander, Europe
SHAPE	Supreme Headquarters, Allied Powers, Europe
SUNFED	Special United Nations Fund for Economic Development
TCA	Technical Cooperation Administration
TCA	Trans-Canada Airlines
TCC	Temporary Council Committee
UK	United Kingdom
UN	United Nations
UNC	United Nations Command
UNCURK	United Nations Commission for Unification and Rehabilitation of Korea
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations International Children's Emergency Fund/United Nations Children's Fund
UNKRA	United Nations Korean Reconstruction Agency
UNRWA(PR)	United Nations Relief and Works Agency (for Palestine Refugees)
UNTAB	United Nations Technical Assistance Board
US(A)	United States (of America)
USSR	Union of Soviet Socialist Republics
WHO	World Health Organization

LISTE DES PERSONNALITÉS[2]
LIST OF PERSONS[2]

ABBOTT, Douglas C., ministre des Finances.

ACHESON, Dean G., secrétaire d'État des États-Unis (-20 janvier).

ADAMS, Sherman, adjoint au président des États-Unis.

ADENAUER, Konrad, chancelier et ministre des Affaires étrangères de la République fédérale d'Allemagne.

ALEXANDER OF TUNIS, Harold R.L.G., maréchal et comte, ministre de la Défense du Royaume-Uni.

ALI, Mohammed, premier ministre et ministre de la Défense du Pakistan.

ALLEN, George, ambassadeur des États-Unis en Inde (mai-).

ALLEN, Ward P., conseiller, Nations Unies, Bureau des affaires européennes, Département d'État des États-Unis; conseiller, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

ALPHAND, Hervé, représentant permanent de la France, Conseil de l'Atlantique Nord.

ARNESON, R. Gordon, adjoint spécial (Affaires nucléaires) auprès du secrétaire d'État des États-Unis.

BALDWIN, J.A., président, Commission des transports du Canada.

BARTON, W.H., I[re] Direction de liaison avec la Défense; secrétaire, section canadienne de la Commission permanente canado-américaine de défense.

BECH, Joseph, ministre des Affaires étrangères, du Commerce extérieur et de la Défense nationale du Luxembourg; chef, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies; premier ministre (29 décembre-)

BECHHOEFER, B.G., Affaires de la sécurité internationale, Bureau des affaires politiques et de sécurité des Nations Unies, Département d'État des États-Unis; conseiller, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

ABBOTT, Douglas C., Minister of Finance.

ACHESON, Dean G., Secretary of State of United States (-Jan. 20).

ADAMS, Sherman, Assistant to President of United States.

ADENAUER, Konrad, Chancellor and Minister of Foreign Affairs of Federal Republic of Germany.

ALEXANDER OF TUNIS, Harold R.L.G., Field Marshal and Earl, Minister of Defence of United Kingdom.

ALI, Mohammed, Prime Minister and Minister of Defence of Pakistan.

ALLEN, George, Ambassador of United States in India (May-).

ALLEN, Ward P., United Nations Adviser, Bureau of European Affairs, Department of State of United States; Adviser, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

ALPHAND, Hervé, Permanent Representative of France, North Atlantic Council.

ARNESON, R. Gordon, Special Assistant (Atomic Affairs) to Secretary of State of United States.

BALDWIN, J.A., Chairman, Air Transport Board.

BARTON, W.H., Defence Liaison (1) Division; Secretary, Canadian Section, Permanent Joint Board on Defence.

BECH, Joseph, Minister of Foreign Affairs, Foreign Commerce and National Defence of Luxembourg; Chairman, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations; Prime Minister (Dec. 29-).

BECHHOEFER, B.G., International Security Affairs, Office of United Nations Political and Security Affairs, Department of State of United States; Adviser, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

---

[2] Ceci est une sélection des principales personnalités canadiennes et de certaines personnalités de l'étranger souvent mentionnées dans les documents. Les notices biographiques se limitent aux fonctions qui se rapportent aux documents reproduits dans ce volume.
This is a selection of important Canadian personalities and some foreign personalities often mentioned in the documents. The biographical details refer only to the positions pertinent to the document printed herein.

BELAÚNDE, Victor A., chef, délégations du Pérou aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

BERIA, L.P., membre, Praesidium du Comité central du Parti communiste de l'Union soviétique; premier vice-président, Conseil des ministres; ministre des Affaires internationales (-juin).

BEYEN, Johan W., ministre des Affaires étrangères des Pays-Bas, poste détenu conjointement avec Joseph Luns.

BIDAULT, Georges, ministre des Affaires étrangères de France.

BLISS, Don C., ministre, ambassade des États-Unis.

BLÜCHER, Franz, vice-chancelier de la République fédérale d'Allemagne.

BOKHARI, Professeur Ahmed S., représentant permanent du Pakistan aux Nations Unies; représentant, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

BORBERG, William, représentant permanent du Danemark aux Nations Unies; représentant, délégation à la septième session et représentant suppléant, délégation à la huitième session de l'Assemblée générale des Nations Unies; représentant au Conseil de sécurité.

BOULGANINE, N.A., premier vice-président du Conseil des ministres de l'Union soviétique; ministre de la Défense.

BOURGÈS-MAUNOURY, Maurice, ministre des Finances de France.

BRADLEY, général Omar N., président, Comité des chefs d'état-major des États-Unis (-15 août).

BROFOSS, Erik, ministre du Commerce de Norvège.

BROWN, A.H., sous-ministre du Travail.

BROWNELL, Herbert Jr, procureur général des États-Unis.

BRUCE, David K.E., ambassadeur des États-Unis en France; sous-secrétaire d'État (mars-).

BRYCE, R.B., sous-ministre adjoint des Finances; secrétaire du Conseil du Trésor.

VOIR Boulganine, N.A.

BELAÚNDE, Dr. Victor A., Chairman, Delegations of Peru to Seventh and Eighth Sessions of General Assembly of United Nations.

BERIA, L.P., Member, Presidium of Central Committee of Communist Party of Soviet Union; First Deputy Chairman, Council of Ministers; Minister of Internal Affairs (-Jun.).

BEYEN, Johan W., Minister of Foreign Affairs of the Netherlands, position held jointly with Joseph Luns.

BIDAULT, Georges, Minister of Foreign Affairs of France.

BLISS, Don C., Minister, Embassy of United States.

BLÜCHER, Franz, Deputy Chancellor of Federal Republic of Germany.

BOKHARI, Professor Ahmed S., Permanent Representative of Pakistan to United Nations; Representative, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

BORBERG, William, Permanent Representative of Denmark to United Nations; Representative, Delegation to Seventh Session and Alternate Representative, Delegation to Eighth Session of General Assembly of United Nations; Representative on Security Council.

SEE Bulganin, N.A.

BOURGÈS-MAUNOURY, Maurice, Minister of Finance of France.

BRADLEY, General Omar N., Chairman, Joint Chiefs of Staff of United States (-Aug. 15).

BROFOSS, Erik, Minister of Commerce of Norway.

BROWN, A.H., Deputy Minister of Labour.

BROWNELL, Herbert, Jr., Attorney-General of United States.

BRUCE, David K.E., Ambassador of United States in France; Under-Secretary of State (Mar.-).

BRYCE, R.B., Assistant Deputy Minister of Finance; Secretary of Treasury Board.

BULGANIN, N.A., First Deputy Chairman, Council of Ministers of Soviet Union; Minister of Defence.

BULL, W.F., sous-ministre du Commerce.

BURBRIDGE, K.J., chef, Direction juridique; conseiller, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

BURLING, Edward Jr (Covington & Burling, ville de New York), avocat du Canada devant la Federal Power Commission des États-Unis.

BURON, Robert, ministre des Affaires économiques de France.

BUTLER, R.A., chancelier de l'Échiquier du Royaume-Uni.

BYRNES, James F., représentant, délégation des États-Unis à la huitième session de l'Assemblée générale des Nations Unies.

CAHAN, J.F., secrétaire général adjoint, Organisation européenne de coopération économique; directeur du Commerce et des Paiements.

CASEY, Richard G., ministre des Affaires extérieures d'Australie.

CAVELL, R.G. (Nik), administrateur, Direction de la coopération économique et technique internationale, ministère du Commerce.

CHAPDELAINE, Jean, conseiller, ambassade en République fédérale d'Allemagne; chef, Direction européenne (octobre-).

CHEVRIER, Lionel, ministre des Transports.

VOIR Tchang Kaï-Chek

CHOU En-Lai, ministre des Affaires étrangères, République populaire de Chine.

CHURCHILL, Winston S. (sir Winston après le 24 avril), premier ministre et premier lord du Trésor du Royaume-Uni.

CLARK, général Mark, Armée des États-Unis, commandant en chef, Extrême-Orient et commandant en chef, Commandement des Nations Unies et gouverneur, Îles Ryukyu (-août).

CLAXTON, Brooke, ministre de la Défense nationale.

COLLINS, R.E., chef, Direction européenne (-octobre).

CÔTÉ, Alcide, ministre des Postes; chef adjoint, délégation à la huitième session de l'Assemblée générale des Nations Unies.

CÔTÉ, Ernest A., chef, Direction de l'Amérique et conseiller juridique, Commission mixte internationale (février-).

BULL, W.F., Deputy Minister of Trade and Commerce.

BURBRIDGE, K.J., Head, Legal Division; Adviser, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

BURLING, Edward Jr. (Covington & Burling, New York City), Counsel for Canada before Federal Power Commission of United States.

BURON, Robert, Minister of Economic Affairs of France.

BUTLER, R.A., Chancellor of Exchequer of United Kingdom.

BYRNES, James F., Representative, Delegation of United States to Eighth Session of General Assembly of United Nations.

CAHAN, J.F., Assistant Secretary-General, Organization for European Economic Co-operation; Director of Trade and Payments.

CASEY, Richard G., Minister for External Affairs of Australia.

CAVELL, R.G. (Nik), Administrator, International Economic and Technical Cooperation Division, Department of Trade and Commerce.

CHAPDELAINE, Jean, Counsellor, Embassy in Federal Republic of Germany; Head, European Division (Oct.-).

CHEVRIER, Lionel, Minister of Transport.

CHIANG Kai-Shek, Generalissimo, President, Republic of China.

CHOU En-Lai, Foreign Minister, People's Republic of China.

CHURCHILL, Winston S. (after Apr. 24, Sir Winston), Prime Minister and First Lord of the Treasury of United Kingdom.

CLARK, General Mark, United States Army, Commander-in-Chief, Far East, and Commander-in-Chief, United Nations Command and Governor, Ryukyu Islands (-Aug.).

CLAXTON, Brooke, Minister of National Defence.

COLLINS, R.E., Head, European Division (-Oct.).

CÔTÉ, Alcide, Postmaster-General; Vice-Chairman, Delegation to Eighth Session of General Assembly of United Nations.

CÔTÉ, Ernest A., Head, American Division, and Legal Counsel, International Joint Commission (Feb.-).

DAVIDSON , G.S., sous-ministre de la Santé nationale et du Bien-être social (Bien-être social), représentant, délégation à la huitième session de l'Assemblée générale des Nations Unies.

DEAN, Arthur, adjoint au secrétaire d'État des États-Unis pour la Conférence politique sur la Corée (septembre-).

DE GASPERI, Alcide, premier ministre d'Italie et ministre des Affaires étrangères (-août).

VOIR Laboulaye, François de

DEUTSCH, J.J., directeur, Direction des relations économiques internationales, ministère des Finances.

DEWEY, Thomas E., gouverneur, État de New York.

DE WOLF, contre-amiral H.G., président, État-major interarmes du Canada, Washington.

DRAPER, W.H., représentant permanent des États-Unis auprès du Conseil de l'Atlantique Nord et représentant spécial en Europe (-juin).

DRURY, C.M., sous-ministre de la Défense nationale.

DULLES, J.F., secrétaire d'État des États-Unis.

DUPLESSIS, Maurice, premier ministre du Québec.

EBERTS, C.C., chef, Direction de l'Amérique; consul général à San Francisco (mars-).

EDEN, Anthony, secrétaire d'État aux Affaires étrangères du Royaume-Uni; chef, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

EISENHOWER, Dwight D., général, président des États-Unis (20 janvier-).

ELLIS-REES, sir Hugh, délégué permanent du Royaume-Uni, Organisation européenne de coopération économique; président officiel, Organisation européenne de développement économique.

ENTEZAM, Nazrollah, chef, délégations d'Iran aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

ERHARD, Ludwig, ministre des Affaires économiques de la République fédérale d'Allemagne.

FAURE, Edgar, ministre des Finances et des Affaires économiques de France (juin-).

DAVIDSON, Dr. G.S., Deputy Minister of Health and Welfare (Welfare), Representative, Delegation to Eighth Session of General Assembly of United Nations.

DEAN, Arthur, Deputy to Secretary of State of United States for Political Conference on Korea (Sep.-).

DE GASPERI, Alcide, Prime Minister of Italy and Minister of Foreign Affairs (-Aug.).

DE LABOULAYE, François, Counsellor, Embassy of France.

DEUTSCH, J.J., Director, International Economic Relations Division, Department of Finance.

DEWEY, Thomas E., Governor, State of New York.

DE WOLF, Rear Admiral H.G., Chairman, Canadian Joint Staff, Washington.

DRAPER, W.H., Permanent Representative of United States on North Atlantic Council and Special Representative in Europe (-Jun.).

DRURY, C.M., Deputy Minister of National Defence.

DULLES, J.F., Secretary of State of United States.

DUPLESSIS, Maurice, Premier of Quebec.

EBERTS, C.C., Head, American Division; Consul-General in San Francisco (Mar.-).

EDEN, Anthony, Secretary of State for Foreign Affairs of United Kingdom; Chairman, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

EISENHOWER, General of the Army Dwight D., President of United States (Jan. 20-).

ELLIS-REES, Sir Hugh, Permanent Delegate of United Kingdom, Organization for European Economic Cooperation; Official Chairman, Organization for European Economic Cooperation.

ENTEZAM, Nazrollah, Chairman, Delegations of Iran to Seventh and Eighth Sessions of General Assembly of United Nations.

ERHARD, Ludwig, Minister of Economic Affairs of Federal Republic of Germany.

FAURE, Edgar, Minister of Finance and Economic Affairs of France (Jun.-).

FISHER, Adrian S., conseiller juridique, Département d'État des États-Unis (-29 janvier).

FORD, R.A.D., chargé d'affaires, ambassade en Union soviétique.

FOULKES, Charles, lieutenant-général, président, Comité des chefs d'état-major.

GARDINER, J.G., ministre de l'Agriculture.

GEORGE, James, conseiller, délégation permanente auprès des Nations Unies; conseiller, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

GLAZEBROOK, G.P. de T., chef, II[e] Direction de liaison avec la Défense; ministre, ambassade aux États-Unis (novembre-).

GOETZ, Charles, avocat pour la New York State Power Authority.

GROMYKO, A.A., représentant, délégation de l'Union soviétique à la septième session (deuxième partie) de l'Assemblée générale des Nations Unies; ambassadeur au Royaume-Uni (-avril); premier vice-ministre des Affaires étrangères.

GROSS, Ernest A., représentant adjoint des États -Unis aux Nations Unies; représentant adjoint au Conseil de sécurité (-19 février).

GRUENTHER, A.M.,lieutenant-général, armée des États-Unis, chef d'état-major auprès du Commandement suprême des forces alliées en Europe (-juillet); commandant suprême des forces alliées en Europe.

HAMMARSKJÖLD, Dag, ministre sans portefeuille agissant à titre de sous-ministre des Affaires étrangères de Suède; secrétaire général des Nations Unies (10 avril-).

HARRIS, Walter E., ministre de la Citoyenneté et de l'Immigration.

HARRISON, W.K., major-général, membre plénipotentiaire, délégation de l'armistice du Commandement des Nations Unies; délégué principal, délégation de l'armistice du Commandement des Nations Unies (-juillet).

HEENEY, A.D.P., représentant permanent, Conseil de l'Atlantique Nord et représentant, Organisation européenne de coopération économique; ambassadeur aux États-Unis (août-).

HENRY, Guy V., major-général (retraité), président, section des États-Unis, Commission permanente canado-américaine de défense.

FISHER, Adrian S., Legal Adviser, Department of State of United States (-Jan. 29).

FORD, R.A.D., Chargé d'Affaires, Embassy in Soviet Union.

FOULKES, Lieutenant-General Charles, Chairman, Chiefs of Staff Committee.

GARDINER, J.G. Minister of Agriculture.

GEORGE, James, Adviser, Permanent Delegation to United Nations; Adviser, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

GLAZEBROOK, G.P. de T., Head, Defence Liaison (2) Division; Minister, Embassy in United States (Nov.-).

GOETZ, Charles, Counsel for New York State Power Authority.

GROMYKO, A.A., Representative, Delegation of Soviet Union to Seventh Session (Second Part) of General Assembly of United Nations; Ambassador to United Kingdom (-Apr.); First Deputy Minister of Foreign Affairs.

GROSS, Ernest A., Deputy Representative of United States to United Nations; Deputy Representative on Security Council (-Feb. 19).

GRUENTHER, Lieutenant-General A.M., United States Army, Chief of Staff to Supreme Allied Commander in Europe (-Jul.); Supreme Allied Commander, Europe.

HAMMARSKJÖLD, Dag, Minister without Portfolio serving as Deputy Foreign Minister of Sweden; Secretary-General of United Nations (Apr. 10-).

HARRIS, Walter E., Minister of Citizenship and Immigration.

HARRISON, Major-General W.K., Plenary Member, United Nations Command Armistice Delegation; Senior Delegate, United Nations Command Armistice Delegation (-Jul.).

HEENEY, A.D.P., Permanent Representative, North Atlantic Council and Representative, Organization for European Economic Cooperation; Ambassador in United States (Aug.-).

HENRY, Major-General (Ret.) Guy V., Chairman, United States Section, Permanent Joint Board on Defence.

HICKERSON, John D., secrétaire d'État adjoint des États-Unis, Affaires des Nations Unies (-juillet).

HOLMES, J.W., sous-secrétaire d'État adjoint aux Affaires extérieures (octobre-).

HOPPENOT, Henri, représentant permanent de la France aux Nations Unies; représentant au Conseil de sécurité; chef (en l'absence du ministre des Affaires étrangères), délégations aux septième et huitième sessions de l'Assemblée générale; représentant à la Commission du désarmement.

HOWE, C.D., ministre du Commerce.

HUGHES, John C., représentant permanent des États-Unis, Conseil de l'Atlantique Nord (juin-).

HUMPHREY, George M., secrétaire au Trésor des États-Unis.

HURLEY, James Joseph, haut-commissaire à Ceylan.

IGNATIEFF, George, conseiller, ambassade aux États-Unis.

ISBISTER, C.M., directeur, Direction générale des relations commerciales internationales, ministère du Commerce.

ISMAY, lord, secrétaire général et vice-président, Organisation du traité de l'Atlantique Nord.

JEBB, sir Gladwyn, représentant permanent du Royaume-Uni aux Nations Unies; représentant au Conseil de sécurité.

JOHNSON, Alexis U., sous-secrétaire d'État adjoint des États-Unis, Affaires d'Extrême-Orient (-octobre); ambassadeur en Tchécoslovaquie.

JOHNSON, David M., représentant permanent aux Nations Unies; représentant, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

KEY, David McK., secrétaire d'État adjoint des États-Unis, Affaires des Nations Unies (décembre-).

KHAN, sir Mohammed Zafrullah, ministre des Affaires étrangères du Pakistan; chef, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

KHROUCHTCHEV, N.S., membre, Praesidium du Comité central du Parti communiste d'Union soviétique; secrétaire du Comité central du Parti communiste de l'Union soviétique.

HICKERSON, John D., Assistant Secretary of State for United Nations Affairs of United States (-Jul.).

HOLMES, J.W., Assistant Under-Secretary of State for External Affairs (Oct.-).

HOPPENOT, Henri, Permanent Representative of France to United Nations; Representative on Security Council; Chairman (in absence of Foreign Minister), Delegations to Seventh and Eighth Sessions of General Assembly; Representative on Disarmament Commission.

HOWE, C.D., Minister of Trade and Commerce.

HUGHES, John C., Permanent Representative of United States, North Atlantic Council (Jun.-).

HUMPHREY, George M., Secretary of Treasury of United States.

HURLEY, James Joseph, High Commissioner in Ceylon.

IGNATIEFF, George, Counsellor, Embassy in United States.

ISBISTER, Dr. C.M., Director, International Trade Relations Branch, Department of Trade and Commerce.

ISMAY, Lord, Secretary-General and Vice-Chairman, North Atlantic Treaty Organization.

JEBB, Sir Gladwyn, Permanent Representative of United Kingdom to United Nations; Representative on Security Council.

JOHNSON, Alexis U., Deputy Assistant Secretary of State for Far Eastern Affairs of United States (-Oct.); Ambassador in Czechoslovakia.

JOHNSON, David M., Permanent Representative to United Nations; Representative, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

KEY, David McK., Assistant Secretary of State for United Nations Affairs of United States (Dec.-).

KHAN, Sir Mohammed Zafrullah, Minister for Foreign Affairs of Pakistan; Chairman, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

KHRUSHCHEV, N.S., Member, Presidium of Central Committee of Communist Party of Soviet Union; Secretary of Central Committee of Communist Party of Soviet Union.

KIM Il Sung, premier ministre, République populaire démocratique de Corée, et commandant suprême, Armée populaire de Corée.

KIM Il Sung, Premier, Democratic People's Republic of Korea and Supreme Commander, Korean People's Army.

KIRKWOOD, Kenneth P., haut-commissaire au Pakistan.

KIRKWOOD, Kenneth P., High Commissioner in Pakistan.

KRAFT, Ole Björn, ministre des Affaires étrangères du Danemark (-septembre).

KRAFT, Ole Björn, Minister of Foreign Affairs of Denmark (-Sep.).

KRISHNA, Menon, V.K., VOIR Menon, V.K. Krishna

KRISHNA, Menon, V.K., SEE Menon, V.K. Krishna

LABOULAYE, François de, conseiller, ambassade de France.

SEE de Laboulaye, François

LAFAY, Bernard, secrétaire d'État aux Affaires économiques de France.

LAFAY, Bernard, Secretary of State for Economic Affairs of France.

LAFLÈCHE, R., major-général, ambassadeur en Argentine avec accréditation en Uruguay.

LAFLÈCHE, Major-General R., Ambassador in Argentina, with concurrent accreditation to Uruguay.

LANGE, Halvard M., ministre des Affaires étrangères de Norvège.

LANGE, Halvard M., Minister of Foreign Affairs of Norway.

LÉGER, Jules, sous-secrétaire d'État adjoint aux Affaires extérieures; représentant suppléant, délégation à la septième session de l'Assemblée générale des Nations Unies; ambassadeur au Mexique (octobre-).

LÉGER, Jules, Assistant Under-Secretary of State for External Affairs; Alternate Representative, Delegation to Seventh Session, General Assembly of United Nations; Ambassador in Mexico (Oct.-).

LEPAN, Douglas, V., conseiller, ambassade aux États-Unis.

LEPAN, Douglas V., Counsellor, Embassy in United States.

LLOYD, John Selwyn, ministre d'État aux Affaires étrangères du Royaume-Uni; chef (en l'absence du ministre des Affaires étrangères), délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

LLOYD, John Selwyn, Minister of State for Foreign Affairs of United Kingdom; Chairman (in absence of Foreign Minister), Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

LODGE, Henry Cabot, Jr, représentant permanent des États-Unis aux Nations Unies (26 janvier-); représentant, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

LODGE, Henry Cabot, Jr., Permanent Representative of United States to United Nations (Jan. 26-); Representative, Delegations to Seventh and Eighth Sessions, General Assembly of United Nations.

MACARTHUR, Douglas II, conseiller, Département d'État des États-Unis (mars-).

MACARTHUR, Douglas II, Counsellor, Department of State of United States (Mar.-).

MACDONNELL, R.M., sous-secrétaire d'État adjoint aux Affaires extérieures.

MACDONNELL, R.M., Assistant Under-Secretary of State for External Affairs.

MACKAY, R.A., sous-secrétaire d'État adjoint aux Affaires extérieures.

MACKAY, R.A., Assistant Under-Secretary of State for External Affairs.

MAKINS, sir Roger, ambassadeur du Royaume-Uni aux États-Unis.

MAKINS, Sir Roger, Ambassador of United Kingdom in United States.

MALENKOV, G.M., président, Praesidium du Conseil des ministres de l'Union soviétique; membre, Praesidium du Comité central du Parti communiste de l'Union soviétique (mars-).

MALENKOV, G.M., Chairman, Presidium of Council of Ministers of Soviet Union; Member, Presidium of Central Committee of Communist Party of Soviet Union (Mar.-).

MALIK, Y.A., sous-ministre des Affaires étrangères de l'Union soviétique (-mars); ambassadeur au Royaume-Uni (mai-); représentant, délégation à la huitième session de l'Assemblée générale des Nations Unies.

MALIK, Y.A., Deputy Minister of Foreign Affairs of Soviet Union (-Mar.); Ambassador to United Kingdom (May-); Representative, Delegation to Eighth Session of General Assembly of United Nations.

MARJOLIN, Robert E., secrétaire général, Organisation européenne de coopération économique.

MARJOLIN, Robert E., Secretary-General, Organization for European Economic Cooperation.

MARTIN, Paul, ministre de la Santé nationale et du Bien-être social; chef adjoint, délégation à la septième session de l'Assemblée générale des Nations Unies.

MARTIN , Paul, Minister of National Health and Welfare; Vice-Chairman, Delegation to Seventh Session of General Assembly of United Nations.

MASSEY, Vincent, gouverneur-général.

MASSEY, Vincent, Governor-General.

MASTER, Oliver, sous-ministre adjoint du Commerce.

MASTER, Oliver, Assistant Deputy Minister of Trade and Commerce.

MATTHEWS, Freeman, sous-secrétaire d'État adjoint des États-Unis, Affaires politiques.

MATTHEWS, Freeman, Deputy Under-Secretary of State for Political Affairs of United States.

MAYER, René, premier ministre de France (8 janvier-28 juin).

MAYER, René, Prime Minister of France (Jan. 8-Jun. 28).

MAYHEW, Robert, ambassadeur au Japon.

MAYHEW, Robert, Ambassador in Japan.

MCCORMICK, amiral Lynde D., commandant suprême des forces alliées dans l'Atlantique.

MCCORMICK, Admiral Lynde D., Supreme Allied Commander, Atlantic.

MCCANN, J.J., ministre du Revenu national.

MCCANN, Dr. J.J., Minister of National Revenue.

MCNAUGHTON, Andrew G.L., général, président, section canadienne, Commission mixte internationale et Commission permanente canado-américaine de défense.

MCNAUGHTON, General Andrew G.L., Chairman, Canadian Section, International Joint Commission and of Permanent Joint Board on Defence.

MENON, V.K. Krishna, député (conseil des États) de l'Inde; représentant, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

MENON, V.K. Krishna, Member of Parliament (Council of States) of India; Representative, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

MERCHANT , Livingston T., représentant spécial adjoint des États-Unis en Europe; secrétaire d'État adjoint, Affaires de l'Europe (mars-).

MERCHANT, Livingston T., Deputy to Special United States Representative in Europe; Assistant Secretary of State for European Affairs (Mar.-).

MEYER, Joaquin, directeur, Département des affaires économiques, ministère d'État de Cuba.

MEYER, Dr. Joaquin, Director, Department of Economic Affairs, Ministry of State of Cuba.

MILLER, F.R., vice-maréchal de l'air, directeur au Conseil de l'air, Section canadienne, Commission permanente canado-américaine de défense; vice-chef d'état-major de l'air.

MILLER, Air Vice-Marshal F.R., Air Member, Canadian Section, Permanent Joint Board on Defence; Vice Chief of Air Staff.

MOCH, Jules, député de France, représentant, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies; représentant à la Commission du désarmement (novembre-).

MOCH, Jules, Member of Parliament of France; Representative, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations; Representative on Disarmament Commission (Nov.-).

MOE, Finn, député de Norvège et président, Comité des relations étrangères; représentant, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

MOE, Finn, Member of Parliament of Norway and Chairman, Foreign Relations Committee; Representative, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

MOLOTOV, V.M., ministre des Affaires étrangères de l'Union soviétique; premier vice-président, Conseil des ministres.

MOLOTOV, V.M., Minister of Foreign Affairs of Soviet Union; First Deputy Chairman, Council of Ministers.

MONTGOMERY, Bernard L., maréchal, commandant suprême des forces alliées en Europe.

MONTGOMERY, Field Marshal Bernard L., Supreme Allied Commander, Europe.

MORAN, H.O., ambassadeur en Turquie.

MORAN, H.O., Ambassador in Turkey.

MORGAN, John H., conseiller, ambassade des États-Unis.

MORGAN, John H., Counsellor, Embassy of United States.

MUÑIZ, João Carlos, représentant permanent du Brésil aux Nations Unies; chef adjoint, délégation à la septième session de l'Assemblée générale; chef, délégation à la reprise de la session (17-28 août) de l'Assemblée générale; président, Première Commission (questions politiques) de l'Assemblée générale.

MUÑIZ, João Carlos, Permanent Representative of Brazil to United Nations; Vice-Chairman, Delegation to Seventh Session of General Assembly; Chairman, Delegation to Resumed Session (Aug. 17-28) of General Assembly; Chairman, First (Political) Committee of General Assembly.

MUNRO, L.K., ambassadeur de la Nouvelle-Zélande aux États-Unis; représentant permanent aux Nations Unies; chef adjoint, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

MUNRO, L.K., Ambassador of New Zealand in United States; Permanent Representative to United Nations; Vice-Chairman, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

MURPHY, Robert, secrétaire d'État adjoint des États-Unis, Affaires des Nations Unies (juillet-novembre); nommé par après sous-secrétaire d'État adjoint, Affaires politiques.

MURPHY, Robert, Assistant Secretary of State for United Nations Affairs of United States (Jul.-Nov.); thereafter designated Deputy Under-Secretary of State for Political Affairs.

NAM Il, lieutenant-colonel (Armée populaire de la Corée), chef de la délégation nord-coréenne et chinoise aux négociations sur l'armistice (juillet-).

NAM Il, Lieutenant-Colonel (Korean People's Army), Chief Delegate of North Korean and Chinese Delegation to armistice negotiations (-Jul.).

NEHRU, Pandit Jawaharlal, premier ministre de l'Inde et ministre des Affaires extérieures et des relations avec le Commonwealth.

NEHRU, Pandit Jawaharlal, Prime Minister and Minister for External Affairs and Commonwealth Relations of India.

PANDIT, Madame Vijaya Lakshmi, chef, délégations de l'Inde aux septième et huitième sessions de l'Assemblée générale des Nations Unies; présidente, huitième session.

PANDIT, Madame Vijaya Lakshmi, Chairman, Delegations of India to Seventh and Eighth Sessions of General Assembly of United Nations; President, Eighth Session.

PEARSON, L.B., secrétaire d'État aux Affaires extérieures; chef, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies; président, septième session.

PEARSON, L.B., Secretary of State for External Affairs; Chairman, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations; President, Seventh Session.

PELLA, Giuseppe, ministre du Budget et du Trésor de l'Italie (-juillet); ministre du Trésor (juillet-août); premier ministre et ministre des Affaires étrangères, et ministre du Budget (août-).

PELLA , Giuseppe, Minister of Budget and Treasury of Italy (-Jul.); Minister of Treasury (Jul.-Aug.); Prime Minister and Minister of Foreign Affairs and Minister of Budget (Aug.-).

PELLETIER, Paul, secrétaire adjoint du Cabinet.

PELLETIER, Paul, Assistant Secretary to Cabinet.

PHLEGER, Herman, conseiller juridique, Département d'État des États-Unis (février-).

PICKERSGILL, J.W., greffier du Conseil privé et secrétaire du Cabinet.

PIERCE, S.D., ministre, ambassade aux États-Unis; ambassadeur au Brésil (octobre-).

PILLAI, sir R.N., secrétaire général, ministère des Affaires extérieures de l'Inde.

PLEVEN, René, ministre de la Défense nationale de France.

PLUMPTRE, A.F.W., ministre, délégation, Conseil de l'Atlantique Nord et Organisation européenne de coopération économique.

POLLOCK, Sydney, Direction des relations économiques internationales, ministère des Finances.

POPE , M.A., lieutenant-général, ambassadeur en Belgique (-novembre), ambassadeur en Espagne (décembre-).

RADFORD, amiral A.W., président, Comité des chefs d'état-major des États-Unis (15 août-).

RASMINSKY, Louis, adjoint exécutif auprès du gouverneur de la Banque du Canada.

RAYNOR, G. Hayden, directeur du Bureau des affaires britanniques et de l'Europe du Nord, Département d'État des États-Unis.

REID, Escott, haut-commissaire en Inde.

REISMAN, S.S., Direction des relations économiques internationales, ministère des Finances.

RHEE, Syngman, président, République de Corée.

RIDGWAY, Matthew B., général, commandant suprême des forces alliées en Europe (-mai); chef d'état-major, Armée des États-Unis.

RITCHIE, A.E., chef, Direction économique.

RITCHIE, C.S.A., sous-secrétaire d'État adjoint aux Affaires extérieures; sous-secrétaire d'État suppléant aux Affaires extérieures (mai-novembre).

ROBERTSON, N.A., haut-commissaire au Royaume-Uni.

ROBERTSON, R.G., secrétaire adjoint du Cabinet.

ROBERTSON, Walter S., secrétaire d'État adjoint des États-Unis, Affaires de l'Extrême-Orient (avril-).

RONNING, C.A, chef, Direction de l'Extrême-Orient.

ROWAN, sir Leslie, deuxième secrétaire, ministère du Commerce du Royaume-Uni.

PHLEGER, Herman, Legal Adviser, Department of State of United States (Feb.-).

PICKERSGILL, J.W., Clerk of Privy Council and Secretary to Cabinet.

PIERCE, S.D., Minister, Embassy in United States; Ambassador in Brazil (Oct.-).

PILLAI, Sir R.N., Secretary-General, Ministry of External Affairs of India.

PLEVEN, René, Minister of National Defence of France.

PLUMPTRE, A.F.W., Minister, Delegation, North Atlantic Council and to Organization for European Economic Cooperation.

POLLOCK, Sydney, International Economic Relations Division, Department of Finance.

POPE, Lieutenant-General M.A., Ambassador in Belgium (-Nov.); Ambassador in Spain (Dec.-).

RADFORD, Admiral A.W., Chairman, Joint Chiefs of Staff of United States (Aug. 15-).

RASMINSKY, Louis, Executive Assistant to Governor of Bank of Canada.

RAYNOR, G. Hayden, Director of Office of British and Northern European Affairs, Department of State of United States.

REID, Escott, High Commissioner in India.

REISMAN, S.S., International Economic Relations Division, Department of Finance.

RHEE, Syngman, President, Republic of Korea.

RIDGWAY, General Matthew B., Supreme Allied Commander in Europe (-May); Chief of Staff, United States Army.

RITCHIE, A.E., Head, Economic Division.

RITCHIE, C.S.A., Deputy Under-Secretary of State for External Affairs; Acting Under-Secretary of State for External Affairs (May-Nov.).

ROBERTSON, N.A., High Commissioner in United Kingdom.

ROBERTSON, R.G., Assistant Secretary to Cabinet.

ROBERTSON, Walter S., Assistant Secretary of State for Far Eastern Affairs of United States (Apr.-).

RONNING, C.A., Head, Far Eastern Division.

ROWAN, Sir Leslie, Second Secretary, Board of Trade of United Kingdom.

SAINT-LAURENT, Louis S., premier ministre.

SALISBURY, lord, secrétaire d'État du Royaume-Uni pour les Relations avec le Commonwealth; secrétaire d'État suppléant aux Affaires étrangères (juin-octobre).

SCHUMAN, Robert, ministre des Affaires étrangères de France (-janvier); député à l'Assemblée nationale.

SCHUMANN, Maurice, secrétaire d'État aux Affaires étrangères de France; représentant, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

SCOTT, H.A., ambassadeur à Cuba.

SCOTT, S.M., chef, Direction des Nations Unies; représentant suppléant, septième session (deuxième partie), de l'Assemblée générale des Nations Unies.

SHARETT, Moshe, ministre des Affaires étrangères d'Israël; premier ministre (décembre-).

SHARP, M.W., sous-ministre adjoint du Commerce.

SIMONDS, Guy, lieutenant-général, chef d'état-major général.

SINCLAIR, James, ministre des Pêcheries.

SKAUG, Arne, représentant permanent de Norvège, Conseil de l'Atlantique Nord.

SMITH, Walter Bedell, directeur, Central Intelligence Agency des États-Unis (-février); sous-secrétaire d'État.

SPENDER, sir Percy C., ambassadeur d'Australie aux États-Unis; représentant, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

STALINE, Joseph V., généralissime et maréchal de l'Union soviétique, président, Praesidium du Conseil des ministres; membre, Praesidium du Comité central et secrétaire général, Parti communiste de l'Union soviétique (décédé le 5 mars).

STASSEN, Harold, directeur de l'Agence de sécurité mutuelle des États-Unis (20 janvier-); directeur, Administration des opérations étrangères (août-).

STEEL, sir Christopher, représentant permanent du Royaume-Uni, Conseil de l'Atlantique Nord.

STEPHANOPOULOS, Stephanos, ministre des Affaires étrangères de Grèce.

STEPHENS, L.A.D., chef, Section de la coordination des politiques.

ST. LAURENT, Louis S., Prime Minister.

SALISBURY, Lord, Secretary of State for Commonwealth Relations of United Kingdom; Acting Foreign Secretary (Jun.-Oct.).

SCHUMAN, Robert, Minister for Foreign Affairs of France (-Jan.); Deputy in National Assembly.

SCHUMANN, Maurice, Secretary of State for Foreign Affairs of France; Representative, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

SCOTT, H.A., Ambassador in Cuba.

SCOTT, S.M., Head, United Nations Division; Alternate Representative, Seventh Session (Second Part), General Assembly of United Nations.

SHARETT, Moshe, Foreign Minister of Israel; Prime Minister (Dec.-).

SHARP, M.W., Associate Deputy Minister of Trade and Commerce.

SIMONDS, Lieutenant-General Guy, Chief of General Staff.

SINCLAIR, James, Minister of Fisheries.

SKAUG, Arne, Permanent Representative of Norway, North Atlantic Council.

SMITH, Walter Bedell, Director, Central Intelligence Agency of United States (-Feb.); Under-Secretary of State.

SPENDER, Sir Percy C., Ambassador of Australia in United States; Representative, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

STALIN, Generalissimo and Marshal of Soviet Union, Joseph V., Chairman, Presidium of Council of Ministers; Member, Presidium of Central Committee and General Secretary, Communist Party of Soviet Union (died Mar. 5).

STASSEN, Harold, Director for Mutual Security of United States (Jan. 20-); Director, Foreign Operations Administration (Aug.-).

STEEL, Sir Christopher, Permanent Representative of United Kingdom, North Atlantic Council.

STEPHANOPOULOS, Stephanos, Minister of Foreign Affairs of Greece.

STEPHENS, L.A.D., Head, Political Co-ordination Section.

STIKKER, Dirk U., président, Conseil de l'Organisation européenne de coopération économique.

TASCA, Henry J., adjoint au représentant spécial pour les affaires économiques, Bureau du représentant spécial des États-Unis en Europe (mars-); directeur de la mission Opérations en Italie (décembre-).

TATE, Jack B., conseiller juridique adjoint, Département d'État des États-Unis.

TAYLOR, K.W., sous-ministre des Finances.

TCHANG Kaï-Chek, généralissime, président de la République de Chine.

THIMAYYA, K.S., lieutenant-général, Armée de l'Inde, président, Commission de rapatriement des Nations Unies (juin-).

THOMSON, John, haut-commissaire suppléant du Royaume-Uni.

THORNEYCROFT, Peter, président, Chambre de commerce du Royaume-Uni.

TITO, Josip Broz, maréchal, président de Yougoslavie et président, Conseil exécutif fédéral (janvier-).

TJARDA VAN STARKENBORGH STACHOUWER, Alidius W.L., représentant permanent des Pays-Bas, Conseil de l'Atlantique Nord.

TSIANG, Tingfu F., représentant permanent de la Chine auprès des Nations Unies; chef adjoint, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

U KYIN, ambassadeur de Birmanie en Inde; chef, délégation à la septième session (deuxième partie) de l'Assemblée générale des Nations Unies (-14 avril).

VALLANCE, W.R., Bureau du conseiller juridique, Département d'État des États-Unis.

VANIER, G.P., major-général, ambassadeur en France.

VOIR Vychinski, A.Y.

VOGEL, G.N., directeur adjoint, Direction du blé et des céréales, ministère du Commerce.

STIKKER, Dirk U., Chairman, Council of Organization for European Economic Cooperation.

TASCA, Henry J., Deputy Special Representative for Economic Affairs, Office of Special Representative of United States in Europe (Mar.-); Director of Operations Mission in Italy (Dec.-).

TATE, Jack B., Assistant Legal Adviser, Department of State of United States.

TAYLOR, K.W., Deputy Minister of Finance.

SEE Chiang Kai-Shek

THIMAYYA, Lieutenant-General K.S., Indian Army, Chairman, Neutral Nations Repatriation Commission (Jun.-).

THOMSON, John, Deputy High Commissioner of United Kingdom.

THORNEYCROFT, Peter, President, Board of Trade of United Kingdom.

TITO, Marshal Josip Broz, President of Yugoslavia and Chairman, Federal Executive Council (Jan.-).

TJARDA VAN STARKENBORGH STACHOUWER, Alidius W.L., Permanent Representative of Netherlands, North Atlantic Council.

TSIANG, Dr. Tingfu F., Permanent Representative of China to United Nations; Vice-Chairman, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

U KYIN, Ambassador of Burma in India; Chairman, Delegation to Seventh Session (Second Part) of General Assembly of United Nations (-Apr. 14).

VALLANCE, W.R., Office of Legal Adviser, Department of State of United States.

VANIER, Major-General G.P., Ambassador in France.

VISHINSKY, A.Y., Minister of Foreign Affairs of Soviet Union (-Mar.); First Deputy Minister of Foreign Affairs and Permanent Representative to United Nations (Mar.-); Representative on Security Council; Chairman, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

VOGEL, G.N., Assistant Director, Wheat and Grain Division, Department of Trade and Commerce.

VOROSHILOV, K.E., maréchal président, Praesidium du Soviet suprême de l'Union soviétique.

VOROSHILOV, Marshal K.E., Chairman, Presidium of Supreme Soviet of Soviet Union.

VYCHINSKI, A.Y., ministre des Affaires étrangères de l'Union soviétique (-mars); premier vice-ministre des Affaires étrangères et représentant permanent auprès des Nations Unies (mars-); représentant au Conseil de sécurité; chef, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

SEE Vichinsky, A.Y.

WATKINS, J.B.C., ministre en Norvège, avec accréditation en Islande.

WATKINS, J.B.C., Minister in Norway, with concurrent accreditation in Iceland.

WERSHOF, M.H., chef, Ire Direction de liaison avec la Défense.

WERSHOF, M.H., Head, Defence Liaison (1) Division.

WILGRESS, L.D., sous-secrétaire d'État aux Affaires extérieures (-mai); représentant permanent, Conseil de l'Atlantique Nord; représentant, Organisation européenne de coopération économique (août-).

WILGRESS, L.D., Under-Secretary of State for External Affairs (-May); Permanent Representative, North Atlantic Council; Representative, Organization for European Economic Cooperation (Aug.-).

WILLOUGHBY, Woodbury, conseiller économique, ambassade des États-Unis.

WILLOUGHBY, Woodbury, Economic Counsellor, Embassy of United States.

WILSON, Charles, secrétaire à la Défense des États-Unis.

WILSON, Charles, Secretary of Defence of United States.

WRONG, H. Hume, ambassadeur aux États-Unis; sous-secrétaire d'État aux Affaires extérieures (août-).

WRONG, H. Hume, Ambassador in United States; Under-Secretary of State for External Affairs (Aug.-).

ZARUBINE, G.N., ambassadeur de l'Union soviétique aux États-Unis; représentant, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

ZARUBIN, G.N., Ambassador of Soviet Union in United States; Representative, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

ZEELAND, Paul van, ministre des Affaires étrangères et du Commerce extérieur de Belgique.

ZEELAND, Paul van, Minister of Foreign Affairs and Foreign Trade of Belgium.

ZEINEDDIN, Farid, représentant permanent de la Syrie aux Nations Unies; chef adjoint, délégations aux septième et huitième sessions de l'Assemblée générale des Nations Unies.

ZEINEDDINE, Dr. Farid, Permanent Representative of Syria to United Nations; Vice-Chairman, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

ZORINE, V.A., sous-ministre des Affaires étrangères de l'Union soviétique; représentant permanent aux Nations Unies; représentant au Conseil de sécurité (-novembre); représentant à la Commission du désarmement (-mars).

ZORIN, V.A., Deputy Minister of Foreign Affairs of Soviet Union; Permanent Representative to United Nations; Representative on Security Council (-Nov.); Representative on Disarmament Commission (-Mar.).

ILLUSTRATIONS

Toutes les photos provenant de la Direction de l'art documentaire et de la photographie des Archives nationales portent le numéro du négatif au coin inférieur gauche. Les photos des Nations Unies ont été empruntées au Département de l'information des Nations Unies; la photo des membres de la délégation à la huitième session de l'Assemblée générale avait été déjà publiée dans AFFAIRES EXTÉRIEURES.

Tout a été fait pour communiquer avec les titulaires des droits d'auteur.

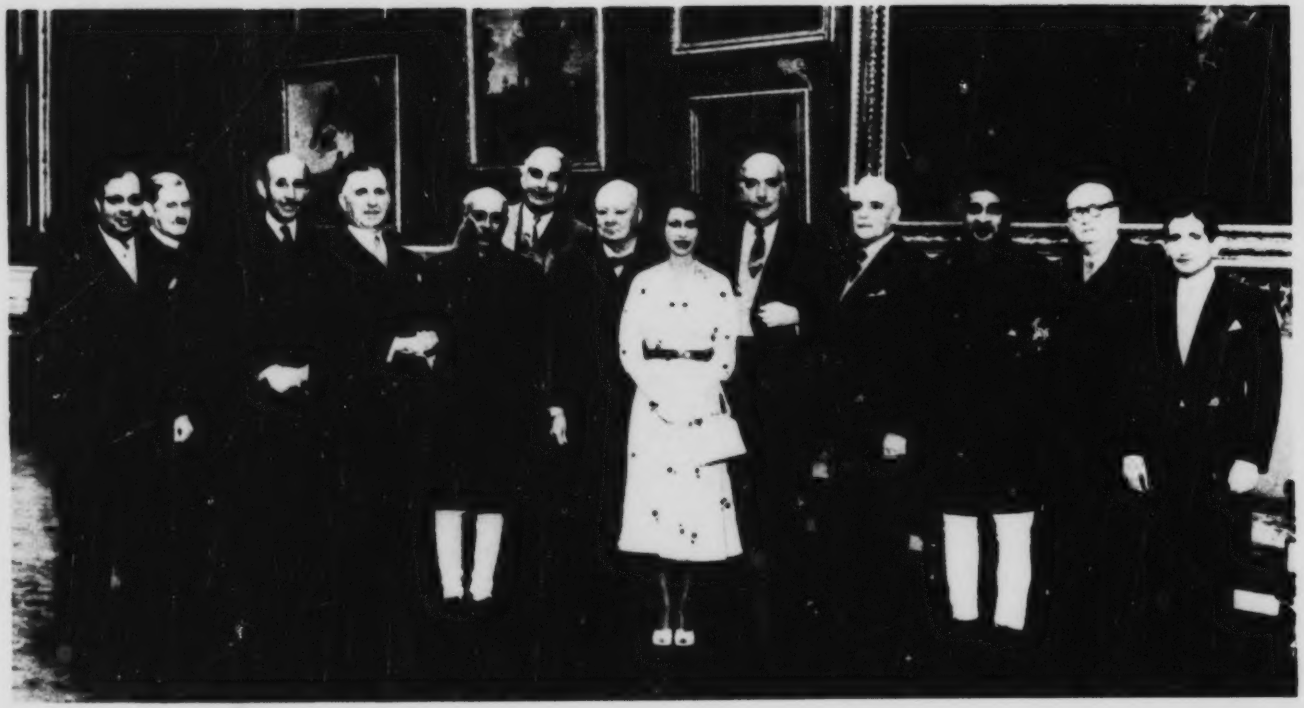
All photos which are from the Documentary Art and Photography Division of the National Archives are marked with the negative number in the bottom left-hand corner. United Nations photos are from the United Nations Department of Public Information; the photo of members of the delegation to the Eighth Session of the General Assembly was previously published in EXTERNAL AFFAIRS.

Every attempt has been made to contact copyright holders.

C-18846 Jim Lynch

La reine Elizabeth II dans sa tenue de couronnement, coiffée de la couronne impériale et tenant le sceptre et le globe, juin 1953.

Queen Elizabeth II wearing coronation robes and Imperial State Crown and holding the Sceptre and Orb, June, 1953.



PA-180623 Jim Lynch

La reine avec les chefs d'État des pays du Commonwealth, à l'occasion d'une réception au palais de Buckingham, juin 1953; de gauche à droite : Mohammed Ali (Pakistan), sir Geoffrey Hughes (Rhodésie du Sud), lord Brookeborough (Irlande du Nord), S.G. Holland (Nouvelle-Zélande), Jawaharlal Nehru (Inde), sir Alexander Bustamente (Jamaïque), sir Winston Churchill (Royaume-Uni), Robert G. Menzies (Australie), Louis Saint-Laurent, D.S. Senanayake (Ceylan), D.F. Malan (Afrique du Sud), Bora Oliver (Malte).

The Queen with Commonwealth leaders at a reception at Buckingham Palace, June, 1953; l. to r.: Mohammed Ali (Pakistan), Sir Geoffrey Hughes (Southern Rhodesia), Lord Brookeborough (Northern Ireland), S.G. Holland (New Zealand), Jawaharlal Nehru (India), Sir Alexander Bustamente (Jamaica), Sir Winston Churchill (United Kingdom), Robert G. Menzies (Australia), Louis St. Laurent, D.S. Senanayake (Ceylon), Dr. D.F. Malan (South Africa), Dr. Bora Oliver (Malta).

PA-181283

Le président Getulio Vargas du Brésil accueille les membres de la mission commerciale de bonne entente en Amérique latine; de gauche à droite : J.S. Duncan (président de Massey-Harris Ltd.), Alfred Savard (ministère du Commerce), C.D. Ambridge (président d'Abitibi Power & Paper Co. Ltd.), C.D. Howe, Getulio Vargas, E.H. Coleman (ambassadeur).

President Getulio Vargas of Brazil greets members of the Goodwill Trade Mission to Latin America: l. to r.: J.S. Duncan (President, Massey-Harris Ltd.), Alfred Savard (Department of Trade and Commerce), C.D. Ambridge (President, Abitibi Power & Paper Co. Ltd.), C.D. Howe, Getulio Vargas, Dr. E.H. Coleman (Ambassador).

PA-181284

Les membres de la mission commerciale de bonne entente en Amérique latine assistent à une cérémonie au Panthéon de Simon Bolívar, au Venezuela; de gauche à droite : W.F. Bull, John Stiles (secrétaire commercial), Henry G. Norman (ambassadeur), C.D. Howe, Edgar Vivas Salas (chef du protocole du Venezuela), Jules Léger.

Members of the Goodwill Trade Mission to Latin America attend a ceremony in Venezuela at the Pantheon of Simon Bolívar : l. to r.: W.F. Bull, John Stiles (Commercial Secretary), Henry G. Norman (Ambassador), C.D. Howe, Dr. Edgar Vivas Salas (Chief of Protocol of Venezuela), Jules Léger.

C-70449

De gauche à droite : Brooke Claxton, L.B. Pearson, A.D.P. Heeney, à la réunion ministérielle du Conseil de l'Atlantique Nord, tenue à Paris en avril 1953.

L. to r.: Brooke Claxton, L.B. Pearson, A.D.P. Heeney at the Ministerial Meeting of the North Atlantic Council held at Paris in April, 1953.

C-20073

Duncan Cameron

De gauche à droite : Dag Hammarskjöld avec L.B. Pearson, au cours d'une visite à Ottawa, le 26 juin 1953.

L. to r.: Dag Hammarskjöld with L.B. Pearson during a visit to Ottawa on June 26, 1953.

C-90466 World Wide Photos Inc.

De gauche à droite : (assis) Dwight D. Eisenhower, Louis Saint-Laurent; (debout) H. Hume Wrong, L.B. Pearson, John Foster Dulles, à l'occasion du voyage du premier ministre à Washington, en mai 1953.

L. to r.: (seated) Dwight D. Eisenhower, Louis St. Laurent; (standing) H. Hume Wrong, L.B. Pearson, John Foster Dulles during the Prime Minister's visit to Washington in May, 1953.

C-53459

De gauche à droite : Henry Cabot Lodge Jr, Dwight D. Eisenhower, Louis Saint-Laurent, C.D. Howe, au cours de la visite du président à Ottawa, en novembre 1953.

L. to r.: Henry Cabot Lodge, Jr., Dwight D. Eisenhower, Louis St. Laurent, C.D. Howe during the President's visit to Ottawa in November, 1953.

C-76068

Le secrétaire général des Nations Unies reçoit l'avis officiel de la signature de l'armistice coréenne, le 26 juillet 1953; de gauche à droite : Henry Cabot Lodge Jr, L.B. Pearson, Dag Hammarskjöld.

United Nations Photo

The Secretary-General of the United Nations receives the official notification of the signing of the Korean armistice agreement on July 26, 1953; l. to r.: Henry Cabot Lodge, Jr., L.B. Pearson, Dag Hammarskjöld.

PA-137810

La compagnie «Baker» du Royal Canadian Regiment lève le camp en Corée, le 28 juillet 1953; à l'avant-plan, un char d'assaut du Lord Strathcona's Horse Regiment.

George Whitaker

The Royal Canadian Regiment "Baker" Company dismantles its position in Korea on July 28, 1953; in the foreground is a tank of the Lord Strathcona's Horse Regiment.

United Nations Photo

Les membres de la délégation canadienne à la huitième session de l'Assemblée générale des Nations Unies; de gauche à droite : G.F. Davidson, L.B. Pearson, l'honorable Alcide Côté, David M. Johnson.

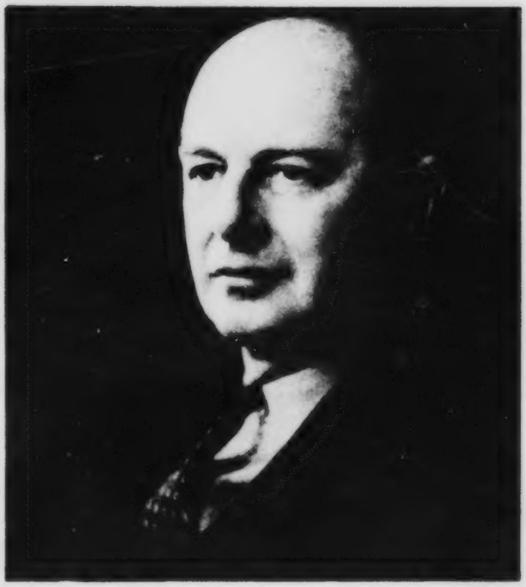
Members of the Canadian Delegation to the Eighth Session of the General Assembly of the United Nations; l. to r.: Dr. G.F. Davidson, L.B. Pearson, Hon. Alcide Côté, David M. Johnson.

C-18706

United Nations Photo

L.B. Pearson lance un appel aux gouvernements communistes pour qu'ils nomment leurs représentants à une conférence politique coréenne, le 23 septembre 1953.

L.B. Pearson calls on Communist governments to name their representatives to a Korean Political Conference, September 23, 1953.



H. Hume Wrong, sous-secrétaire d'État aux Affaires extérieures.

H. Hume Wrong, Under-Secretary of State for External Affairs.

C.S.A. Ritchie, sous-secrétaire d'État par intérim aux Affaires extérieures.

C.S.A. Ritchie, Acting Under-Secretary of State for External Affairs.

PA-141362 G. Hollington

Chapitre Premier/Chapter I

CONDUITE DES RELATIONS EXTÉRIEURES
CONDUCT OF EXTERNAL RELATIONS

Première partie/Part 1

DÉSIGNATION ET TITRES ROYAUX
ROYAL STYLE AND TITLES

1.

Proclamation

OTTAWA, MAY 29, 1953

CANADA

ELIZABETH THE SECOND, by the Grace of God, of Great Britain, Ireland and the British Dominions beyond the Seas QUEEN, Defender of the Faith.

To All To Whom these Presents shall come or whom the same may in anywise concern,

Greeting:

A PROCLAMATION

STUART S. GARSON,

Attorney General,

CANADA

OTTAWA, 29 MAI 1953

CANADA

ELIZABETH DEUX, par la Grâce de Dieu, REINE de Grande-Bretagne, d'Irlande et des Territoires britanniques au delà des mers, Défenseur de la Foi.

À Tous Ceux À Qui les présentes parviendront ou qu'icelles pourront de quelque manière concerner,

Salut:

PROCLAMATION

STUART S. GARSON,

Procureur général,

CANADA

WHEREAS the Prime Ministers and other representatives of Commonwealth countries assembled in London in the month of December, in the year of Our Lord one thousand nine hundred and fifty-two, considered the form of Our Royal Style and Titles, and, recognizing that the present form is not in accordance with present constitutional relations within the Commonwealth, concluded that, in the present stage of development of the Commonwealth relationship, it would be in accord with the established constitutional position that each member country should use for its own purposes a form suitable to its own particular circumstances but retaining a substantial element common to all;

AND WHEREAS the said representatives of all the Commonwealth countries concerned agreed to take such action as is necessary in each country to secure the appropriate constitutional approval for the changes then envisaged;

AND WHEREAS, in order to give effect to the aforesaid conclusions, the Parliament of Canada, under and by virtue of An Act respecting the Royal Style and Titles, assented to on the eleventh day of February, in the year of Our Lord one thousand nine hundred and fifty-three, has assented to the issue by Us of Our Royal Proclamation under the Great Seal of Canada establishing for Canada the Style and Titles hereinafter set forth in lieu of the Style and Titles at present appertaining to the Crown:

CONSIDÉRANT que les premiers ministres et autres représentants des pays du Commonwealth, réunis à Londres en décembre mil neuf cent cinquante-deux, ont étudié la forme de Notre désignation et de Nos titres royaux et, conscients que la forme actuelle n'est pas en harmonie avec les relations constitutionnelles courantes à l'intérieur du Commonwealth, ont conclu que, au présent stade de développement des relations dans le Commonwealth, il serait conforme à la situation constitutionnelle établie que chaque pays membre employât, pour ses propres fins, une forme appropriée à ses conditions spéciales, tout en retenant un important élément qui soit commun à tous;

CONSIDÉRANT que lesdits représentants de tous les pays du Commonwealth intéressées sont convenus de prendre les mesures nécessaires, dans chaque pays, en vue d'obtenir l'agrément constitutionnel pertinent pour les changements alors envisagés;

ET CONSIDÉRANT QUE, pour donner effet aux conclusions susdites, le Parlement du Canada, aux termes et en vertu d'une Loi sur la désignation et les titres royaux, sanctionnée le onzième jour de février en l'an de grâce mil neuf cent cinquante-trois, a acquiescé à la publication par Nous de Notre proclamation royale sous le grand sceau du Canada, établissant, quant au Canada, la désignation et les titres énoncés ci-dessous, au lieu de la désignation et des titres appartenant actuellement à la Couronne:

NOW KNOW YE that by and with the advice of Our Privy Council for Canada We do by this Our Royal Proclamation establish for Canada Our Royal Style and Titles as follows, namely, in the English language:

"Elizabeth the Second, by the Grace of God of the United Kingdom, Canada and Her other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith"

And in the French language:

"Elizabeth Deux, par la grâce de Dieu, Reine du Royaume-Uni, du Canada et de ses autres royaumes et territoires, Chef du Commonwealth, Défenseur de la Foi".

OF ALL WHICH Our Loving Subjects and all others whom these Presents may concern are hereby required to take notice and to govern themselves accordingly:

IN TESTIMONY WHEREOF We have caused these Our Letters to be made Patent and the Great Seal of Canada to be hereunto affixed.

GIVEN the Twenty-eighth day of May in the Year of Our Lord One thousand nine hundred and fifty-three and in the Second Year of Our Reign.

By Her Majesty's Command,

LOUIS S. ST. LAURENT,

Prime Minister of Canada

GOD SAVE THE QUEEN

SACHEZ DONC MAINTENANT que de et par l'avis de Notre Conseil privé pour le Canada Nous établissons, quant au Canada, par Notre présente proclamation royale, Notre désignation et Nos titres royaux ainsi qu'il suit, savoir, dans la langue française:

«Elizabeth Deux, par la Grâce de Dieu, Reine du Royaume-Uni, du Canada et de ses autres royaumes et territoires, Chef du Commonwealth, Défenseur de la Foi»

Et dans la langue anglaise:

«Elizabeth the Second, by the Grace of God of the United Kingdom, Canada and Her other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith».

DE CE QUI PRÉCÈDE, Nos féaux sujets et tous ceux que les présentes peuvent concerner sont par les présentes requis de prendre connaissance et d'agir en conséquence.

EN FOI DE QUOI Nous avons fait émettre Nos présentes Lettres Patentes et à icelles fait apposer le Grand Sceau du Canada.

DONNÉ ce vingt-huitième jour de mai en l'an de grâce mil neuf cent cinquante-trois, le second de Notre Règne.

Par ordre de Sa Majesté,

Le premier ministre du Canada,

LOUIS S. ST-LAURENT

DIEU SAUVE LA REINE

2e Partie/Part 2

REPRÉSENTATION DIPLOMATIQUE ET CONSULAIRE
DIPLOMATIC AND CONSULAR REPRESENTATION

Section A

CEYLAN
CEYLON

2. DEA/11156-F-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs to High Commissioner in United Kingdom

Despatch B-57 Ottawa, January 12, 1953

Secret

Would you please arrange to call upon the High Commissioner of Ceylon to the United Kingdom and request him to inquire if his Government would be agreeable to the appointment of a Canadian High Commissioner to Ceylon.

2. It might be advisable to leave with him a Note worded to the following effect:

"Because of its desire to maintain the closest possible ties between Canada and other members of the Commonwealth, the Government of Canada has long regretted its inability to appoint a High Commissioner to Ceylon. The rapid expansion of Canada's foreign service during the war and in post-war years has unhappily placed such demands upon the staff of the Department of External Affairs as to render this step impossible earlier. The growing importance of the nations of South-East Asia and Canada's participation in the Colombo plan have recently increased the desirability of having a High Commissioner in Ceylon.

Consequently it is a source of deep satisfaction to the Government of Canada that it is now in a position to appoint a High Commissioner to Ceylon; it trusts that this appointment will be agreeable to the Government of Ceylon.

As first High Commissioner of Canada to Ceylon, it is proposed to nominate Mr. James Joseph Hurley, a member of Canada's foreign service whose curriculum vitae is attached.†

The Government of Canada would of course welcome the appointment of a High Commissioner of Ceylon to Canada whenever the Government of Ceylon wishes to establish a High Commissioner's Office in Ottawa.

It would be appreciated if this matter could be kept secret until the Governments of Canada and Ceylon can arrange for publication at a mutually convenient date".

3. Please ask the High Commissioner of Ceylon to transmit this request to his Government by telegram.

R.M. MACDONNELL

3. DEA/11156-F-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 181 London, February 2, 1953

SECRET

APPOINTMENT OF HIGH COMMISSIONER TO CEYLON

Reference: My telegram No. 87 of January 21.†

A reply dated January 29 from the Government of Ceylon to my note of January 21 reads as follows:

"My government welcomes the proposed appointment of Mr. James Joseph Hurley as High Commissioner for Canada in Ceylon but regrets its inability to make a reciprocal appointment at present.

"The matter will be kept secret until arrangements are made for simultaneous announcements at a mutually convenient date."

SECTION B

RÉPUBLIQUE DOMINICAINE ET HAÏTI
DOMINICAN REPUBLIC AND HAITI

4. DEA/26-DY-40

Note du premier ministre

Memorandum by Prime Minister

Ottawa, February 16, 1953

Mr. Danilo Brugal, Consul General of the Dominican Republic, was in to see me on Friday last to urge that we establish a Legation in their capital.

His suggestion is that our Ambassador to Washington or to Havana be accredited and they would, in turn, accredit their Washington Ambassador to us. Then our Trade Commissioner, Mr. Gravel,[1] could be made Chargé d'Affaires without addi-

[1] Raineau Gravel, délégué commercial en République Dominicaine.
Raineau Gravel, Trade Commissioner in Dominican Republic.

tional expense but with a rank that would be more appreciated there than that of a mere Commercial Agent.

Mr. Brugal admitted that, here, he was treated with as much consideration as if he were a Chargé d'Affaires and had as free access to our departments as if operating under another title.

I expressed no views but promised to report his representations to our Department of External Affairs.

L.S. ST. L[AURENT]

5. DEA/26-DY-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Assistant Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

SECRET [Ottawa], February 19, 1953

EXCHANGE OF DIPLOMATIC REPRESENTATIVES WITH THE DOMINICAN REPUBLIC

Attached is a memorandum from the Prime Minister dated February 16 noting that the Dominican Consul General has approached him about the exchange of diplomatic representatives.

2. My first reaction was that we should try to develop a polite formula for saying "no" and I drafted a memorandum accordingly, a copy of which is attached.† However, when I showed it to Mr. Léger, he said that Mr. Howe had given the Dominicans the impression that he was favourably disposed to such an arrangement.[2] I attach a copy of a note by Mr. Léger.

3. Under the circumstances, I suggest that the matter will have to be dealt with delicately but not too expeditiously. I am sending a copy of this memorandum to the American Division asking them to search the files to see whether we have had any representations about an exchange of diplomatic representatives with either the Dominican Republic or Haiti.

4. I also attach a memorandum for your signature to the Prime Minister.[3]

R.A. M[ACKAY]

[2] Voir le document 1089./See Document 1089.

[3] Note marginale:/Marginal note:

Mr. MacKay — I would like to have a discussion about this. W[ilgress]

[PIÈCE JOINTE/ENCLOSURE]

Note du sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum by Assistant Under-Secretary of State for External Affairs

SECRET [Ottawa, n.d.]

DOMINICAN REPUBLIC

The main item of discussion during our short stay in the Dominican Republic was the state of our mutual relations. General Paulino, a thumb General who seems to be the "éminence grise" of the regime, made it quite clear that the present situation was unsatisfactory and referred to the fact that his country had repeatedly requested the opening of direct diplomatic relations. He said the Government of the Dominican Republic was ready to appoint a Head of Mission to Canada within the very near future and he personally would see to it that he would be a good one. General Paulino welcomed the arrival of Mr. Gravel as Trade Commissioner in the Dominican Republic and said that he would be happy to see him remain in Cuidad Trujillo but in a different role. They did not expect that Canada would maintain a Head of Mission there and would be satisfied to have the Canadian Ambassador to Havana also accredited to Cuidad Trujillo. Mr. Howe said that he thought this could be arranged without difficulty and definitely conveyed the impression that action would be taken soon on that line.

I must say that the present situation is unsatisfactory; although Mr. Gravel has been appointed by the Department of Trade and Commerce, and has no consular or diplomatic status, he performs consular duties and, in practice, has become the Head of the Canadian community. He is considered as such by the Government, as well as by the diplomatic and consular corps. Gravel told me that the present situation could continue for some time but that it was very awkward. I doubt that after the commitment made by Mr. Howe the Government of the Dominican Republic will be satisfied with the present arrangement and we should look into it as soon as possible.

One of Gravel's difficulties is that he spends more than one third of his time on matters connected with the Department of External Affairs, particularly those of a consular nature, since he also covers Haiti and Puerto Rico in addition to the Dominican Republic. He urgently requires a bilingual stenographer (because of Haiti) who would be versed in consular matters and who could relieve him of some of the routine work.

I mentioned this problem to Mr. Scott when I was in Cuba to find out how he would react if the Dominican Republic fell under his jurisdiction. He said that he had no objection although he was afraid that he could not spend much time each year in Cuidad Trujillo. He also pointed out that if he were appointed there, he presumed that there would be special allowances attached to that Post.

There is a colony of 200 or 300 Canadians in the Dominican Republic and some Canadian investment.

Canadian trade with the Republic in 1951 amounted to a total of $5.2 million (imports $1.1; exports $4.1) and for the first nine months of 1952, $5.9 million (exports $3.6; imports $2.3 million). Fish, flour, rubber tires and tubes, account for about two-thirds of Canadian exports to the Republic. (In 1951, fish $1,505,000; flour $672,000; rubber tires and tubes $412,000). Imports are almost entirely sugar and coffee.

J. L[ÉGER]

6. L.S.L./Vol 96

Note du sous-secrétaire d'État aux Affaires extérieures pour le premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

SECRET [Ottawa], February 19, 1953

I refer to your memorandum of February 16 regarding the exchange of diplomatic representatives with the Dominican Republic.

I understand that a member of the Dominican Government raised this matter with Mr. Howe on the recent visit of the Trade Mission there.

From the standpoint of the Department, we would find it difficult at the present time to take on new commitments. Further, the exchange of diplomatic representatives with the Dominican Republic might be an embarrassing precedent should other Latin American Republics come forward with a similar request. However, the present request will have to be handled delicately and, I suggest, not too expeditiously.

If the Consul General again raises the matter with you, perhaps the best line to take would be that the Department has taken on many new responsibilities recently and is finding difficulty in coping with them, but that the Consul General's suggestion is being carefully examined.

L.D. W[ILGRESS]

7. DEA/26-DY-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Assistant Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], April 1, 1953

OPENING OF NEW MISSIONS IN THE CARIBBEAN

This subject has been discussed during the last few days between yourself, Mr. Léger, Mr. MacKay and myself. This memorandum is intended to sum up our conclusions.

It is agreed that we will probably have to open small Missions in the Dominican Republic and Haiti. These would be on a minimum scale with a resident Chargé d'Affaires. The Ambassador to Cuba would be accredited in both cases. We envisage opening these Missions during the 1953-54 fiscal year but not until about January 1st.

It is agreed that we should defer approaching Cabinet for authority to open these offices. No definite time has been recommended for approaching Cabinet but the submission should certainly be made when the Minister is present. It is also agreed that it would be most desirable to avoid asking for supplementary estimates if this can be done.

There is every reason to believe that a three months' operation from January 1st to March 31, 1954, can be undertaken without asking Parliament for supplementary estimates at this time. There is a good chance that we would have enough money in hand by January 1st to cover our expenditures. If we did not, we could probably expect to cover them with an item in the final supplementary estimates in March 1954.

It is therefore recommended that we defer an approach to Cabinet for the present and put nothing in the supplementary estimates for these Missions. I should be glad to know whether you approve these recommendations.[4]

R.M. M[ACDONNELL]

[4] Voir aussi le document 15./See also Document 15.
Notre copie du document porte la mention suivante:/The following was written on this copy of this document: I approve. W [ilgress]

8. DEA/11336-93-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum by Assistant Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], September 23, 1953

OPENING OF NEW OFFICES, 1953-54

The attached memorandum to the Minister of September 2 has now only historic interest but it should be filed in order to indicate the course of events.

The Minister discussed this memorandum with Mr. Ritchie and myself early in September and returned it without making any written observations on it. During our conversation, however, he indicated general approval of the offices in the Dominican Republic and Haiti and in Israel and one Arab State. With regard to opening a consular office in Minneapolis, he felt that it might not be appropriate to push ahead with further expansion in the United States at a time when the State Department was being compelled by budgetary considerations to reduce its consular representation in Canada.

We have been notified of the decisions taken by Cabinet with regard to the Caribbean and the Middle East. The absence of any Cabinet decision about Minneapolis must I think be taken as an indication that the Minister does not wish to make any proposal to Cabinet at present.

R.M. M[ACDONNELL]

[PIÈCE JOINTE/ENCLOSURE]

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], September 2, 1953

OPENING OF NEW OFFICES, 1953-54

In preparing estimates and revising the departmental establishment, both of which must be undertaken shortly, we need to know what new offices, if any, the Government is prepared to approve. Five possibilities have been given serious consideration:

A – Dominican Republic and Haiti –

The Dominicans have been pressing us for some time and on his Latin American tour last winter, Mr. Howe gave a pretty firm oral commitment. Because of the predominantly French culture of Haiti and the considerable activities there of

Canadian religious orders, we could not open in the Dominican Republic without opening in Haiti.

These offices would be small, single-officer posts. An Ambassador elsewhere (probably in Cuba) would be accredited to both countries and would pay occasional visits. This practice is followed by other countries. A resident Chargé d'Affaires (about FSO 4) would be sent to each capital.

It was decided earlier in the year that, rather than seek a supplementary estimate, we should see whether there might not be enough money in our representation abroad Vote to allow us to open these small offices about the beginning of 1954. It is now clear that we will have money to do this.

Do you wish us to prepare a Memorandum for Cabinet proposing the opening of these offices about the beginning of 1954?

B – Israel and One Arab State

You agreed earlier this year that we should try to open in these countries in 1953-54. In contrast to the small offices proposed for the Caribbean, we would hope that these would be active and useful posts, providing us with first-hand reports on Middle Eastern affairs and filling a real gap in our representation. Opening might be planned for April-May 1954. If you agree in principle that this should be put to Cabinet, we would first submit to you the arguments in favour of opening in Egypt or another Arab State.

C – Consulate in Minneapolis or St. Paul –

With the opening of an office in Seattle this fall, this is the one remaining "gateway" area in the United States in which we have no consular representation. Because of the inter-connections between the Prairie Provinces and the Minneapolis area, a Consulate could be usefully employed. It might be opened in September-October 1954. Do you wish us to prepare a Memorandum for Cabinet making this proposal?

2. As regards timing, the suggestions made in this memorandum would spread the strain of opening new offices over nine or ten months. From the administrative point of view this is most desirable. The programme would be:

Dominican Republic and Haiti	– January – February
Israel and Arab State	– April – May
Minneapolis	– September – October

3. If you agree that some or all of these proposals should be submitted to Cabinet, I should be glad to know whether you would prefer to put them forward in one batch or separately.

C.S.A. R[ITCHIE]

SECTION C

INDONÉSIE
INDONESIA

9. DEA/11619-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 89 Ottawa, January 22, 1953

SECRET

Reference: My telegram No. 2172 of December 23, 1952.

Nearly a month has elapsed since we instructed you to communicate with Foreign Office regarding exchange of embassies with Indonesia. As this matter is of some urgency, please ask Foreign Office to send a chaser to UK Ambassador in Djakarta authorizing him if he deems it advisable to enquire informally from Indonesian authorities whether early reply may be expected.

10. DEA/11619-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 281 London, February 12, 1953

SECRET

DIPLOMATIC RELATIONS WITH INDONESIA

Reference: Our telegram No. 234 of February 7.†

In a note dated February 5 to the British Embassy, Djakarta, the Indonesian Government has given its agreement to the appointment of Mr. Heasman as Canadian Ambassador.

2. The note requests the agreement of Canada to the Indonesian Ambassador to the United States, Dr. Ali Sastroamidjojo, representing Indonesia in Canada with a resident Chargé d'Affaires in Ottawa.

3. The note also offers assistance in establishing a Canadian Embassy and asks for similar assistance in Ottawa at a later date.

4. Full text of the note is en route to London by bag.

11. DEA/11619-40

Extrait du télégramme du secrétaire d'État aux Affaires extérieures au haut-commissaire au Royaume-Uni

Extract from Telegram from Secretary of State for External Affairs to High Commissioner in United Kingdom

TELEGRAM 269 Ottawa, February 21, 1953

SECRET

DIPLOMATIC RELATIONS WITH INDONESIA

Reference: Your despatch No. 405 of February 16.†

Please ask Foreign Office to transmit to Indonesian authorities through United Kingdom Ambassador at Djakarta a message to the following effect:

> Canadian Government is pleased to give agrément to appointment of Dr. Ali Sastroamidjojo as Indonesian Ambassador to Canada. It is understood that the concurrent accreditation of an Ambassador to the United States and to Canada will only be a temporary measure, and we are looking forward to appointment of full time Ambassador to Canada.
>
> We thank Indonesian Government for agreeing to assist us in establishing Embassy at Djakarta and will gladly reciprocate when Indonesian Embassy is established in Ottawa.

SECTION D

ISRAËL, ÉGYPTE, LIBAN, SYRIE
ISRAEL, EGYPT, LEBANON, SYRIA

12. DEA/8589-40

Note de la direction européenne pour le sous-secrétaire d'État par intérim aux Affaires extérieures

Memorandum from European Division to Acting Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], May 25, 1953

ESTABLISHMENT OF CANADIAN MISSIONS IN ISRAEL AND AN ARAB STATE

Now that the Queen's approval is being sought for the acceptance of Mr. Michael Comay as Israel's first Minister to Canada it may be useful to consider at least two questions which are likely to be involved for Canada when Mr. Comay arrives.

2. The first is that Mr. Comay will be taking up his duties at a time when a certain amount of special pleading is to be expected for the support of Israeli policies which may or may not be to the advantage of NATO countries. Mr. Comay possesses gifts of persuasion and the able diplomat's capacity for presenting controversial issues in a non-controversial light. We should undoubtedly be in a better position to deal with suggestions he may make to the Government of Canada if there were Canadian missions in Tel Aviv and a suitable Arab capital which could serve as independent sources of information on the implications of the policies proposed.

3. The second consideration is one to which some prominence has been given by the President of Israel in his introduction to the *Government Year Book, 5713 (1952)*, in which he said:

> "But there is no mistaking the portentousness of the fact that only in countries of democratic freedom and freedom of the press is Israel able to be in reciprocal touch with both Government and people. The importance of this is two-fold: only in those countries have we uninhibited access to their Jews, and only there can we explain to public opinion at large the position of Israel, its needs, its undertakings and its aspirations. . . . The State (of Israel) cannot interfere in the domestic affairs of the Jewish communities in the Diaspora, cannot give them instructions or make demands of them . . . It is just there that the Zionist Organization, founded upon free-will association and voluntary effort, has the occasion and ability to do what the State is neither able nor authorized to do. That is . . . why the establishment of the State did not bring the era of the (Zionist) Organization to a close, but rather has enhanced its responsibility and mission beyond measure."

4. Arabs have long been aware of the freedom with which Zionist Organizations in the United Kingdom, the United States, Canada and other democratic countries were able to disseminate the views of the Jewish Agency in Palestine before 1948. Considerable publicity has also attended Zionist efforts to support the policies of the Government of Israel since the creation of the Jewish state in that year. On the announcement of Mr. Comay's appointment we shall undoubtedly be reminded that our sources of information about the Arab world have been far from disinterested in the past, that the opening of an Israeli diplomatic mission in Ottawa now will accentuate the one-sided character of our impressions of Middle Eastern problems and that if we wish Canadian policies to be based on a sound understanding of a part of the world whose history and current needs are different from our own we should think seriously of arranging for an early exchange of diplomatic representatives with at least one of the leading Arab states.

5. The European Division has for some years felt the need of Canadian missions both in Tel Aviv and in Cairo or Beirut, to which specific requests for information, comments and other forms of assistance might be addressed. The Canadian Permanent Delegate to the United Nations has twice mentioned in official reports on the work of sessions of the General Assembly the hampering effects of the lack of Canadian representation in the Middle East. Our delegations to the General Assembly have been obliged to take decisions and cast frequent votes relating to the Arab states and Israel without benefit of comments and recommendations from trained

Canadian diplomatic observers serving in the area affected by United Nations resolutions.

6. The handicap has arisen, of course, from the fact that the Canadian diplomatic service has been going through a period of abnormal expansion and neither financial appropriations nor personnel have been available for all the areas in which we have felt the need of representation. Priorities in the establishment of diplomatic missions elsewhere have now been met, however. Since 1949, when the question of Canadian representation in the Middle East was first discussed in the Department, decisions have been taken to establish diplomatic posts in Austria, Ceylon, Finland, Indonesia, Pakistan, Portugal, Spain, Uruguay and Venezuela. This being the case, it is hoped in this Division that the opening of Canadian missions in Israel and one of the Arab states may now have become a practical possibility.

R.E. C[OLLINS]

13. DEA/8589-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le sous-secrétaire d'État par intérim aux Affaires extérieures[5]

Memorandum from Assistant Under-Secretary of State for External Affairs to Acting Under-Secretary of State for External Affairs[5]

CONFIDENTIAL [Ottawa], May 27, 1953

CANADIAN MISSIONS IN ISRAEL AND THE ARAB WORLD

Mr. Comay's arrival creates a new situation and stronger pressure will be brought to bear on the Government to open a diplomatic mission in Tel Aviv. It seems that the possibility of opening a Mission in Egypt should be looked into at the same time as consideration is being given to a Mission in Israel.[6] We should I think make a recommendation to the Minister in the near future along the lines of the attached memorandum.

Once approval has been obtained "en principe", details as to the timing of the Submission to Cabinet could be worked out in relation to the establishment of Missions to which we are already committed (Spain), availability of personnel and funds, etc.

My own view is that, unless there is an element of urgency of which I am not aware, the Submission to Cabinet should not be made before the elections.

J. L[ÉGER]

---

[5] L'original porte la mention suivante:
The following is in the original:
(Through Mr. MacKay & Mr. Macdonnell)

[6] Notes marginales:/Marginal notes:
Is this the time to set up shop in Egypt? Beirut might be looked at more closely. In general I agree that we should be represented in Israel and one Arab state. However in view of the strain that expansion has placed on the Dep [artmen]t — and we have by no means felt its full effect as yet — I would hope that we could postpone this until the 1954-55 fiscal year, say the spring or summer of 1954. R.M. M [acdonnell] I agree. L.B. P[earson]

14. DEA/11853-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

RESTRICTED [Ottawa], August 27, 1953

RELATIONS WITH SYRIA

In a note to the Canadian Ambassador in Washington the Syrian Ambassador suggested on August 17, 1953 the establishment of a Syrian Legation in Ottawa in the interests of international co-operation and with a view to developing the friendly relations which happily exist between Canada and Syria. Commenting on the proposal Dr. Zeineddine told Mr. Heeney that the Syrian Government would not expect us to reciprocate immediately.

When Israel first informed Canada in 1950 of its desire to establish a Legation in Ottawa there was some delay, as you will recall, while the question of reciprocal action was considered. After Israel's Ambassador to the United States wrote you on February 2, 1951 to say "We would not think that Canada's inability to establish such a mission in Israel at this juncture need influence a decision on the establishment of an Israeli mission in Ottawa," you replied on February 9 that we would be very glad to welcome an Israeli minister in Ottawa. You added that circumstances would not permit us to reciprocate by sending a Canadian diplomatic representative to Israel, for reasons which you assured him had nothing to do with the desirability of such a course.

If you agree that we should act now in accordance with this precedent I will ask the Canadian Ambassador in Washington to inform the Ambassador of Syria that we should welcome the establishment of a Syrian Legation in Ottawa, it being understood that Canada will be unable to reciprocate immediately.[7]

C.S.A. R[ITCHIE]

[7] Note marginale:/Marginal note:
OK. L.B. P [earson]

15. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], September 9, 1953

. . .

EXTERNAL AFFAIRS; DIPLOMATIC REPRESENTATION

68. *The Secretary of State for External Affairs* submitted for approval certain proposed changes in Canadian representation abroad. It was proposed to accredit the Canadian Ambassador in Turkey to Israel as well. If that were done, it would be necessary to consider the establishment of diplomatic relations with one or two of the Arab states. A possibility would be to have one representative accredited to Egypt and to another of the Arab countries. As trade and certain other matters were of importance, it was also desirable to have some form of Canadian diplomatic representation in Haiti and the Dominican Republic. It was proposed to accredit the Canadian Ambassador in Cuba, or possibly the Canadian Ambassador in Venezuela, to the two countries as well.

69. *The Cabinet* approved the changes in Canadian representation abroad, as outlined by the Secretary of State for External Affairs, and agreed:

. . .

(b) that the Canadian Ambassador to Turkey be accredited also to Israel; it being understood that consideration would probably have to be given, at an early date, to the establishment of some form of Canadian diplomatic representation with one or more of the Arab states; and

(c) that the Canadian Ambassador in Cuba, or possibly in Venezuela, as decided by the Secretary of State for External Affairs be accredited also to Haiti and the Dominican Republic.

R.G. ROBERTSON,
Assistant Secretary to the Cabinet

16. DEA/11336-1-B-40

Note de la Direction européenne
pour le sous-secrétaire d'État par intérim aux Affaires extérieures

Memorandum from European Division
to Acting Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], September 10, 1953

REPRESENTATION OF CANADA IN THE MIDDLE EAST

In developing our plans to establish diplomatic posts in Israel and the Arab world we may now count on the agreement of both areas for arrangements which

will permit us to operate on the basis of a minimum expenditure. The Minister of Israel suggested to the Secretary of State for External Affairs on September 4 that his Government would warmly welcome the appointment to Israel of our Ambassador in Ankara. Syria, in asking permission to open a mission in Ottawa, has made known to us that it would be happy to have one of our heads of mission in a neighbouring state accredited to Syria as well. (See paragraph 2; ii of the attached despatch from Washington — No. 1631 of August 19.)† You will recall that when the Consul-General of Lebanon discussed with you on June 11, 1953 the desirability of diplomatic representation of Canada in the Arab world he dwelt on the point that the Arab states would be glad to have a single Canadian Ambassador accredited to as many Arab countries as we pleased, and only a single post would be necessary.

2. The question of the required establishment is thus greatly simplified for us and for the Treasury Board by the co-operative attitude of the governments concerned. The next matter to consider is perhaps the type of work that will be required in the two new posts.

3. In Israel there will be a continuous pressure of work in the economic, political and consular fields and there will be many opportunities for information work and to perform services for visitors from Canada. Economic questions of a wide variety and of some urgency in this phase of Israel's development will be likely to require the attention of the first Ambassador. This is an additional reason which would make it appropriate to ask our Ambassador in Ankara to serve in Israel as well.[8] It would also be advisable to have a trained economist as Chargé d'Affaires since the Ambassador will be in residence in Israel for only part of the year. The Chargé d'Affaires should moreover be a shrewd observer of political affairs. He will need an assistant who can take over the consular work for Israel which is now being done on Canada's behalf by United Kingdom representatives. (In the past five years 4,773 Israelis have entered Canada as immigrants and the number of applicants in Israel for Canadian visas has been very much greater.) Two very industrious officers would find their hands full, even should the Ambassador be able to spend three or four months of the year in residence in Israel to carry the principal burden of responsibility.

4. It is to be hoped that before a Canadian post is established in Israel an agreement on the status of Jerusalem may have been reached which would permit us to set up our headquarters near the site of Israel's government without prejudice to the position we have taken in the United Nations on the principle of international control of the Holy Places.

5. The Minister intimated on September 4 [9] that he would propose soon to Cabinet the creation of a diplomatic post whose head would be accredited to "two or three" Arab states. Our first need is for representation in Lebanon and Egypt. In view of Syria's request to be allowed to establish a Legation in Ottawa, the Syrian

---

[8] Note marginale:/Marginal note:
Ambassador to Turkey having double accreditation + one first sec [retar]y + one third sec[retar]y.

Republic should presumably be the third Arab state to which Canada would accredit a diplomatic representative.

6. The role of Canada's representatives in the Arab world will differ from the role of its representatives in Israel. The latter, particularly in the economic field, will be helping Israel to survive. Canadians at our Arab post, on the contrary, will be more concerned with activities which relate to the survival of the free world itself. Like Turkey in the 1920's, the Arab states stand on the threshold of a period of transition, the form and direction of which is of the utmost importance to the West. Crystallization of belief and practice, for or against the West or along independent lines, may occur rapidly. It is likely that the Arab world of 1975 will differ as sharply from the Arab world of today as the Turkey of the 1950's has differed from the Turkey of 1922. Precisely because Canada is not a great power its representatives in the area, if they are properly trained and equipped, may be able to do a good deal to strengthen forces already struggling toward the goals of greater freedom for the individual, higher standards of living, greater stability in national government and more friendly relations with the West. What the work will require in terms of Canadian personnel is presumably the following:

(a) A Head of Post whose knowledge of the Middle East and the Islamic world will command respect from the outset and who will consequently be regarded by liberal groups in the area as a valuable ally.[9]

(b) A senior assistant qualified to serve as Chargé d'Affaires at the Canadian Mission during periods when the Head of Post is visiting the other Arab states to which he is accredited. It would be useful to have for this position someone who is familiar with NATO affairs, or who has studied at the National Defence College or who has some other special qualification for reporting on the organization of international security in the area.[10]

(c) A junior assistant with a sufficient knowledge of Arabic and of the history and problems of the Middle East to give active help to the Head of Post and to the senior officer in the preparation of despatches and in establishing close friendly relations wherever these will be helpful.[11]

7. In addition to the active cultivation of friendships with liberal forces in the Arab world, the staff will be required to prepare a wide variety of studies on political, economic and social questions of interest to the United Nations, the specialized agencies and NATO, particularly in relation to the work of the General Assembly, defence planning and the encouragement of peace between Israel and the Arab states. At this post, too, therefore, the load of work may be expected to be heavy.

8. It may not be necessary to settle immediately the question of the location of Canada's first mission in the Arab world. For many reasons Cairo would be the logical choice, since Egypt is the wealthiest and most influential of the Arab States,

---

[9] Note marginale:/Marginal note:
H[ea]d of Post. [Grade] 7 or 8.

[10] Note marginale:/Marginal note:
1st Sec[retar]y

[11] Note marginale:/Marginal note:
2nd Sec [retar]y

the principal cultural and intellectual centre of the Muslim world, the seat of the Arab League and strategically in a key position. It is cut off by Israel, however, from the Arab countries of Asia, and partly for that reason a Canadian mission in Beirut might at the outset be able to do more effectively the work we have in mind, particularly if the Anglo-Egyptian dispute[12] should not have been settled before our post is established. From Beirut both Syria and Egypt can readily be reached. Perhaps of greater importance is the fact that Beirut is the city where many of the Arab liberals have received their university training. There is a constant flow through the city of influential visitors from all parts of the Arab world. We shall be in a better position to decide on the location of the post when the outcome of the Anglo-Egyptian negotiations is known.

9. This memorandum is intended to serve merely as a basis for discussion of matters on which our plans are only beginning to take shape. Establishments and Organization are inclined to agree with the line suggested, but we have had no opportunity yet to discuss the memorandum with Personnel Division, which will doubtless have important contributions to make to the discussion of the questions we have been considering.

N.F.H. BERLIS

17. DEA/8589-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], September 17, 1953

CANADIAN MISSIONS IN THE MIDDLE EAST

Included in today's bag for New York are the following items which have a bearing on our present plans for opening Canadian diplomatic missions in the Middle East:

(a) Instructions to Washington about our reply to Syria's request for permission to open a Legation in Ottawa;†

(b) A Departmental memorandum containing preliminary suggestions about the kind of work our Missions in Israel and the Arab world will have to do and the sort of establishments we may require;

(c) A memorandum on Canadian claims arising out of the Cairo riots, indicating that the Foreign Minister of Egypt is anxious to get the matter settled and suggesting that it may be possible to get action if the question is raised when we first

[12] La discussion portait sur l'avenir du canal de Suez.
The dispute concerned the future of the Suez Canal.

discuss with the Egyptians the proposal that Canada should accredit a diplomatic representative to Egypt.†[13]

2. The Minister of Israel has been told confidentially of our intentions, and presumably Egypt, Lebanon and Syria should also be taken into our confidence. The Egyptian and Lebanese Consuls-General in Ottawa have made several informal approaches to officers of the Department recently about Canadian representation in the Middle East, but no intimation of our plans has yet been given to either of them, since it is believed that you may wish to discuss the matter first in New York with representatives of the three states concerned and to instruct the Department subsequently about communicating with the Egyptian and Lebanese Consuls-General.

3. In Arab League circles there has been some discussion of combining diplomatic establishments abroad wherever feasible. If any progress has been made in this direction, Egypt, Lebanon and Syria may decide to content themselves with a single Legation in Ottawa, to which would be appointed such officers as the three governments may consider necessary. We should have no objection to this arrangement, since it would be the logical counter-part of the single Mission we hope to establish in the Arab world.

4. I shall await your instructions before pursuing the matter further.

C.S.A. R[ITCHIE]

18. DEA/8589-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], October 14, 1953

CANADIAN DIPLOMATIC MISSIONS IN THE MIDDLE EAST

You will recall that in a note† at the end of my memorandum to you of September 17 on Canadian Missions in the Middle East, you wrote "I think that our plans might now be communicated to the Lebanese and Egyptian Consuls in Ottawa and the Syrian Ambassador in Washington (if this has not already been done)".

2. I today invited the Consuls General of Egypt and Lebanon to call, separately. I told them that we had had under consideration for some years the opening of Missions in this area and that it was now possible for us to open Missions simultaneously in the Arab world and Israel. I went on to tell them in confidence:

---

[13] Le gouvernement canadien demandait une compensation du gouvernement égyptien pour la perte de vie et de propriété subie à la suite des émeutes au Caire en janvier 1952, pendant lesquelles M. Boyer, délégué commercial du Canada, fut tué.
The Canadian government was seeking compensation from the government of Egypt for loss of life and property inflicted as a result of riots in Cairo in January 1952 during which J.M. Boyer, Canada's Trade Commissioner, was killed.

(a) that we are hoping to establish a Mission whose Head would be accredited to three Arab states;

(b) that we may not be in a position for some time yet to decide on the location of the headquarters of the Mission; and,

(c) that the present approach was being made on an informal basis to ascertain whether their Governments would be ready to accept an arrangement of this kind.

3. Yesterday a telegram was sent to our Ambassador in Washington asking him to take similar steps with regard to the Syrian Ambassador there, and as we are not certain that the Government of Syria has told the other Arab States of its intention to open a Legation in Ottawa I avoided any specific reference to Syria in my conversations with the Representatives of Egypt and Lebanon.[14]

4. The Egyptian Consul General, after expressing his gratification at this information, went on to plead the case of Cairo as the natural location for our Mission on the grounds that Egypt had the largest population in the Arab world and was its political centre. He pointed out that the Arab League met at Cairo and that there would be an opportunity for the Canadian Representative to make the acquaintance there of Arab political leaders. Mr. El-Hakeem asked whether we would be represented by a Minister or an Ambassador. I said that I could not at this stage give him any precise information on this point. He said that he very much hoped that we might be represented at the Ambassadorial level. He pointed out that India and Pakistan had Ambassadors in Cairo, and added that in his view Canada's international importance made it most desirable that we should have Ambassadorial representation.

5. Before Mr. El-Hakeem left I mentioned to him the Canadian claims arising out of the death of Mr. Boyer and the loss of Mr. Butterworth's personal effects during the Cairo riots of January 1952, and told him that I hoped this matter would be cleared up satisfactorily as we were anxious that the accreditation of a Canadian diplomatic representative to Egypt should take place in an atmosphere of complete cordiality. The Consul General readily concurred and said that he would write to his Government at once and ask them to expedite the matter.

6. The Lebanese Consul General also welcomed our decision to accredit a representative to the Arab world. I reminded him that he himself had suggested to me that it would be quite acceptable that a Canadian representative should be appointed to two or three Arab states simultaneously. He agreed and said that he would notify his Government at once of our proposal. Upon my mentioning incidentally that we had not very many experts on Arab affairs in our Service, Mr. Shammah at once replied that we had in the person of Miss MacCallum one of the most distinguished experts, whose reputation was well known throughout his country.

[14] Des instructions avaient été données à l'ambassadeur à Washington pour qu'il informe l'ambassadeur syrien des actions proposées par le gouvernement, mais aucune réponse n'a été reçue en 1953.
The ambassador in Washington was instructed to inform the Syrian Ambassador of the Canadian government's proposed actions, but no reply was received in 1953.

7. Mr. Shammah said that speaking personally he had little doubt that his Government would wish to reciprocate by the establishment of diplomatic representation in Ottawa. I said that we would of course welcome such a decision, but that I wished to make it clear that we were not suggesting reciprocity of representation as a condition for the accreditation of our own Mission to three Arab countries. Mr. Shammah, unlike the Egyptian Consul General, refrained from entering any claim for the location of the Canadian representative in Beirut, although I know from my previous conversations with him that he would of course very much welcome our choice of a location there for our Mission.[15]

C.S.A. R[ITCHIE]

SECTION E

ESPAGNE
SPAIN

19. DEA/8150-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour la Direction du protocole

Memorandum from Assistant Under-Secretary of State for External Affairs to Protocol Division

CONFIDENTIAL [Ottawa], January 29, 1953

EXCHANGE OF EMBASSIES WITH SPAIN

The Minister after speaking to the Prime Minister on the subject has given instructions that an approach be made to the Spanish Government, requesting their consent to the establishment of a Canadian Embassy in Madrid. No mention will be made at this stage of the person who will be proposed as the first Canadian Ambassador.

The approach is to be made through the United Kingdom Ambassador in Madrid. Would you please prepare instructions to Canada House asking them to take the matter up with the Foreign Office.

R.M. M[ACDONNELL]

---

[15] Note marginale:/Marginal note:
Interesting. L.B. P[earson]

20. DEA/8150-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 171 Ottawa, February 7, 1953

SECRET

EXCHANGE OF EMBASSIES WITH SPAIN

1. The Queen has approved the Canadian Government's decision for Canada to exchange embassies with Spain as has long been wished by the Spanish Government.

2. Please request the Foreign Office to instruct the United Kingdom Ambassador at Madrid to deliver to the Foreign Minister of Spain a formal note to the following effect:

The Government of Canada is happy to inform the Government of Spain that it is now in a position to exchange diplomatic missions. The Government of Canada therefore seeks the agreement of the Government of Spain to the opening of a Canadian Embassy in Madrid and would welcome the opening of a Spanish Embassy in Ottawa.

It is assumed that the Government of Spain would wish that the announcement of this important development would be made simultaneously in Ottawa and in Madrid and would therefore regard it as confidential until agreement had been reached upon a date for publication.

21. DEA/8150-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 327 London, February 19, 1953

SECRET. IMMEDIATE.

EXCHANGE OF EMBASSIES WITH SPAIN

Reference: Your telegram No. 171 of February 7.

1. The Foreign Office has today received the following telegram from the British Ambassador in Madrid, Begins: The Spanish Under-Secretary of State for Foreign Affairs informed me today that the Spanish Government agree to the opening of Canadian Embassy in Madrid. They would wish that the public announcement of

the establishment of direct diplomatic relations should take place in time for publication in Madrid newspapers Saturday next, 21 February.

May I inform the Spanish Government that this date is agreeable to the Canadian Government? Ends.

2. On receipt of this telegram I went to see the Spanish Chargé d'Affaires in London. I pointed out to him that the Canadian enquiry was a double-barrelled one, coupling the opening of a Canadian Embassy in Spain with the expectation that we would be receiving a Spanish Embassy in Canada. I asked him to get in touch with his government immediately by telephone, and let me know direct that the Spanish Government was prepared to put its announcement in strictly reciprocal terms.

3. I have informed the Foreign Office of my conversation with the Spanish Chargé d'Affaires, and have asked them to let their Ambassador in Madrid know of it.

4. This may be a mare's nest, but to prevent misunderstanding you may wish me to ask the Spanish Embassy to defer publication to some agreed date next week so that we can make sure that the simultaneous press announcements are in acceptable terms.

22. DEA/8150-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 258 Ottawa, February 20, 1953

SECRET. IMMEDIATE.

EXCHANGE OF EMBASSIES WITH SPAIN

Reference: Your telegram No. 327 of February 19.

We are agreeable to announcing exchange of Embassies on Saturday, February 21. Please inform Foreign Office and Spanish Chargé d'Affaires that announcement here will be marked for release not before 11 a.m. EST and request that announcement in Madrid be released no earlier. Text will be telegraphed to you when completed.

23. DEA/26-CHS-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État par intérim aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Acting Secretary of State for External Affairs

[Ottawa], March 5, 1953

APPOINTMENT OF MR. MARIANO DE YTURRALDE Y ORBEGOSO AS SPANISH AMBASSADOR

The Consul-General of Spain at Montreal has requested agrément to the appointment of Mr. Mariano de Yturralde y Orbegoso as Ambassador Extraordinary and Plenipotentiary of Spain to Canada.

Mr. Yturralde y Orbegoso, as you know, was Consul-General of Spain at Montreal from August 1950 to February 1952. Since March 1952, he has been Director-General of Foreign Policy in his Country's Foreign Ministry.

The appointment of Mr. Yturralde y Orbegoso as Ambassador seems to be an excellent choice, and if you agree, a note will be sent to Government House requesting the Queen's approval of this appointment.

L.D. W[ILGRESS]

24. DEA/8150-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour les sous-secrétaires d'État adjoints aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Assistant Under-Secretaries of State for External Affairs

[Ottawa], May 25, 1953

The newly appointed Spanish Ambassador came to see me on Thursday, May 21. Our brief conversation was limited to cordial but banal courtesies. I did, however, say to the Ambassador on instructions from the Minister, that no appointment would be made as Canadian Ambassador in Madrid until after the elections. I added that this was due to no lack of candidates for the post. The Ambassador felt sure that his government would understand the position, but asked whether this was a general policy with regard to new appointments to Canadian Missions Abroad. To this I made a somewhat evasive reply as it may be that the announcement of other appointments to Canadian Missions Abroad will be made *before* the elections. It is possible that the Spanish government may be somewhat baffled by our procedure in this matter.

C.S.A. R[ITCHIE]

25. DEA/8150-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

[Ottawa], August 17, 1953

The Spanish Ambassador called on me on August 14 to ask me whether I had any news for him about the appointment of a Canadian Ambassador to Spain. On your instructions, I told the Ambassador that this matter had been considered at the first Cabinet meeting after the elections, that of August 13,[16] and that a decision [would] be taken at the next Cabinet meeting early in September. I added that the Spanish Government would therefore appreciate that earliest consideration had been given to this question after the elections. The Ambassador expressed himself as quite satisfied with this statement. He added that in any case at the present moment the Spanish Government was at San Sebastian where it will remain until late in September.

The Ambassador asked whether the appointee was likely to be a career diplomat and expressed the hope that this would be the case. I told him that I was afraid I could not give him any information about the likely appointee at this time.

Although he mentioned no names, I had the impression the Ambassador thought he knew who the appointee to Madrid was likely to be.[17]

C.S.A. R[ITCHIE]

26. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], September 24, 1953

. . .

EXTERNAL AFFAIRS; DIPLOMATIC APPOINTMENTS

42. *The Prime Minister* said that the Secretary of State for External Affairs had recommended the appointment of two ambassadors.

---

[16] Rien n'indique que ce sujet ait été discuté au cours de cette réunion. Le Cabinet en discuta le 24 septembre. Voir le document 26.
There is no record of consideration of this subject at this meeting. The matter was discussed in Cabinet on September 24. See Document 26.

[17] Note marginale:/Marginal note:
This should be on the agenda for the next Cabinet. L.B. P[earson]

43. *The Cabinet* noted with approval the recommendation by the Secretary of State for External Affairs of the following appointments:

(a) General Maurice Pope, presently Canadian Ambassador to Belgium, to be Canadian Ambassador to Spain; . . .

27. DEA/11900-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur d'Espagne

Secretary of State for External Affairs
to Ambassador of Spain

NO. B-11 Ottawa, September 28, 1953

SECRET

Excellency,

I have the honour to inform you that the Government of Canada is now in a position to open a diplomatic mission in Madrid and wishes to appoint as its Ambassador to Spain Major General Maurice Pope, CB, MC, who is at present Ambassador of Canada to Belgium and Minister to Luxembourg.

I should appreciate knowing whether this appointment would be agreeable to your Government.

Accept, etc.[18]

C.S.A. RITCHIE
for Secretary of State
for External Affairs

[18] Le gouvernement espagnol donna l'agrément par l'entremise de son ambassade à Ottawa, par la note nº 17, du 1er octobre 1953.
Agrément was granted by the Spanish government through the embassy in Ottawa in Note Nº 17, October 1, 1953.

SECTION F

SUISSE
SWITZERLAND

28. DEA/3358-R-40

Le ministre en Suisse au secrétaire d'État aux Affaires extérieures

Minister in Switzerland to Secretary of State for External Affairs

TELEGRAM Berne, February 25, 1953

STATUS OF REPRESENTATIONS

I am advised by the Chief of Protocol on behalf of the Political Department that the Federal Council expressed its willingness to study with governments who may deem it advisable the status of their representations in Switzerland. Even though Federal Council might assent to the wishes of certain countries in raising the status of legations to that of embassies this would not involve immediate [word omitted — reciprocation?].

Would appreciate being authorized to inform Federal Council that Canada still wished its Legation in Berne to be raised to the status of Embassy.

The Political Department issued communique on the subject to the press which published it today.

29. DEA/3358-R-40

Le secrétaire d'État aux Affaires extérieures au ministre en Suisse

Secretary of State for External Affairs to Minister in Switzerland

TELEGRAM 7 Ottawa, March 1, 1953

CONFIDENTIAL

STATUS OF REPRESENTATIONS

Reference: Your unnumbered telegram of February 25.

Please inform Swiss authorities that we would like to raise the status of our legation to that of an embassy and, although we would not insist upon reciprocity, would be happy to have the Swiss legation in Ottawa raised to an embassy. We are informing the United Kingdom and United States Governments with a view to securing co-ordination of action in this respect.

30. DEA/3000-40

Le secrétaire d'État aux Affaires extérieures au ministre en Suisse

Secretary of State for External Affairs to Minister in Switzerland

TELEGRAM 8 Ottawa, March 22, 1953

CONFIDENTIAL

STATUS OF REPRESENTATION

Reference: My telegram No. 7 of March 1.

1. The Queen has given her approval to raising the Canadian Legation in Switzerland to an Embassy and to your appointment as Ambassador.

2. Inasmuch as the Swiss authorities have made it clear that any changes in the status of representation now made would not affect the precedence of the Heads of Missions in Berne this year, it has been decided that there is no necessity of coordination of action with the United Kingdom and the United States. You may therefore inform the Swiss authorities that you are now in a position to request agrément for yourself as Ambassador. Upon learning of the granting of agrément we shall take steps to prepare your new Letter of Credence. As the Swiss decision has protected your precedence in the Diplomatic Corps, we feel that there is no need for undue haste in this matter. Does the Swiss Foreign Ministry propose presentation on the same day of Letters of Credence by those Ambassadors who have them available?

31. DEA/3358-R-40

Le ministre en Suisse au secrétaire d'État aux Affaires extérieures

Minister in Switzerland to Secretary of State for External Affairs

DESPATCH 106 Berne, March 25, 1953

CONFIDENTIAL

STATUS OF CANADIAN REPRESENTATION IN BERNE

Reference: Your telegram No. 8 of March 21, 1953.

1. Yesterday, I called on M. Maurice, Chef du Protocole, at the Federal Political Department to discuss with him the steps which should be taken with respect to the raising of the status of this mission.

2. As regards the change in the designation of the mission itself, M. Maurice told me that we were now at liberty to call it the Canadian Embassy whenever we so desired. As our move to new chancery premises takes place on May 1, 1953, and as

the necessary supplies should be available by then, I propose if you agree, that we should begin to use the new designation on that date.

3. M. Maurice stated that the Swiss Federal Council's agrément to myself as Ambassador was implicit in its approval of our request for the change in status. However, he added that your request for the Swiss agrément would be brought to the attention of the Federal Council and their reply would be communicated to me, probably within the next week. Accordingly, as asked in my despatch No. 99 of March 23, 1953,† I should be grateful if you would take steps to prepare my new Letter of Credence. It is not the intention of the Swiss authorities to have Letters of Credence presented by Ambassadors on the same day.

4. With respect to the first sentence of paragraph 2 of your telegram under reference, the precedence of heads of missions here will be affected insofar as those who become ambassadors are concerned. The ambassadors will become senior to ministers but *amongst themselves* will retain the same precedence as they now hold as ministers.

VICTOR DORÉ

32. DEA/3358-R-40

Le ministre en Suisse
au secrétaire d'État aux Affaires extérieures

Minister in Switzerland
to Secretary of State for External Affairs

TELEGRAM 5 Berne, March 30, 1953

RESTRICTED

STATUS REPRESENTATION

Have agreed with Swiss authorities that following communiqué should be released in Berne and Ottawa 1500 hours GMT April 2nd, Text begins: The Federal Council has granted its agreement to change in status of Canadian Legation in Berne to rank of Embassy and to the nomination of Mr. Victor Doré, at present Minister Plenipotentiary, as Ambassador Extraordinary and Plenipotentiary of Canada in Switzerland. Text ends.

SECTION G

ÉTATS-UNIS (LOS ANGELES ET SEATTLE)
UNITED STATES (LOS ANGELES AND SEATTLE)

33. DEA/10137-40

Extrait du télégramme du secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Extract from Telegram from Secretary of State for External Affairs to Ambassador in United States

TELEGRAM 97 Ottawa, January 19, 1953

CONFIDENTIAL

CONSULATES GENERAL—SAN FRANCISCO AND LOS ANGELES

Reference: My telegram EX-41 of January 9.†

Please inform the Department of State that the Canadian Government proposes to open on April 1 a Consulate General at Los Angeles with jurisdiction over the ten southern counties of California, Clark County in Nevada, Arizona and New Mexico. The Consulate General in San Francisco will after April 1 have jurisdiction over California (except for the ten southern counties), Nevada (except for Clark County), Utah, Colorado, Wyoming, Hawaii, Oregon, Washington, Idaho, Montana and Alaska.

2. Please request provisional recognition. . . of Mr. Wilfrid Kenneth Wardroper as Consul of Canada in charge of the Consulate General at Los Angeles.

. . .

34. DEA/10137-40

Le secrétaire d'État des États-Unis à l'ambassadeur aux États-Unis

Secretary of State of United States to Ambassador in United States

[Washington], February 4, 1953

Excellency:

I have the honor to acknowledge the receipt of your note No. 68 of January 26, 1953[19] informing the Department of the decision of your Government to establish a Consulate General at Los Angeles, California, on April 1, 1953, and delimiting the

[19] Non retrouvée./Not located.

jurisdictions which have been assigned to the consular offices of Canada in the United States.

Appropriate note has been made of this information in the records of the Department.

Accept, etc.

JAMES C.H. BONBRIGHT
for the Secretary of State

35. PCO

Note du secrétaire d'État par intérim aux Affaires extérieures pour le Cabinet

Memorandum from Acting Secretary of State for External Affairs to Cabinet

CONFIDENTIAL Ottawa, March 9, 1953

OPENING OF AN OFFICE IN SEATTLE

The opening of a Canadian Consular Office in Seattle during the coming fiscal year appears desirable. The need for additional consular staff on the Pacific Coast of the United States has been recognized for some time and has been partially met by the decision to open a Consulate General in Los Angeles. Up to the present, however, it has proved difficult to make experienced staff available for an office in Seattle.

The large numbers of Canadians who reside in the Seattle area or pay business or other visits give rise to a considerable volume of consular enquiries, and in addition there is a constant demand for information about Canada on the part of the United States citizens in the region. Interest in Canada in this as in other areas of the United States is growing. Hitherto the British Consulate General and such organizations as the Seattle Chamber of Commerce, the Canadian Bank of Commerce and the railway and airline offices have done what they can to deal with this flow of enquiries, and their cooperation has been helpful, but, offices which are either non-Canadian or are engaged in their own special activities face obvious handicaps in trying to deal with what is essentially Canadian consular business. The situation was studied on the spot recently by a senior officer of the Department and there can be no doubt that there is a demand in the area for the services of a Canadian Consular Office and indeed some surprise that one has not been established.

An officer with experience in consular work in the United States in the person of Mr. Norman Senior, at present Consul in San Francisco, is now available and it is proposed that he open a small office in Seattle as Consul General. The Department believes that sufficient funds are available in its Estimates to provide for the operation of this office during part of the fiscal year 1953-54 provided that the money for salaries and allowances could if necessary be found from the general salaries Vote.

It is recommended:

(a) that a consular office be opened in Seattle,

(b) that this Department be authorized to increase its establishment to provide the necessary additional staff, and to draw if necessary later in the fiscal year on the general salaries Vote for the payment of salaries and allowances, and

(c) that Mr. Norman Senior, an officer of the Department of External Affairs, be appointed as Consul General.

BROOKE CLAXTON

36. PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

TOP SECRET [Ottawa], March 12, 1953

. . .

SEATTLE, WASHINGTON, USA; OPENING OF CANADIAN CONSULAR OFFICE

21. *The Prime Minister* submitted a recommendation of the Acting Secretary of State for External Affairs for the opening of a Canadian consular office in Seattle, Washington, USA and for the appointment of a Consul General at the new post.

An explanatory memorandum had been circulated.

(Memorandum, Acting Secretary of State for External Affairs, March 9, 1953 — Cab. Doc. 73-53).

22. *The Cabinet*, after discussion, agreed:

(a) that a new Canadian consular office be opened in Seattle, Washington, USA;

(b) that the Department of External Affairs be authorized to take whatever steps were necessary to provide the required staff at the new office; and,

(c) that Mr. Norman Senior of the Department of External Affairs be appointed Consul General at Seattle.

. . .

37. DEA/10178-F-40

Le secrétaire d'État des États-Unis
à l'ambassadeur aux États-Unis

Secretary of State of United States
to Ambassador in United States

[Washington], March 16, 1953

Excellency:

I have the honor to acknowledge the receipt of your note No. 175 of March 2, 1953[20] referring to previous correspondence and informing the Department of the appointment of Mr. Wilfrid Kenneth Wardroper as Vice Consul of Canada at Los Angeles, California, for the State of Arizona, the counties of Kern, Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, and Ventura in the State of California, the county of Clark in the State of Nevada, and the State of New Mexico.

In compliance with the request in your note, provisional recognition is accorded Mr. Wardroper as Vice Consul of Canada at Los Angeles, for the jurisdiction delimited above, pending the receipt of his commission and the issuance of his exequatur.

It is requested that a Notification of Status with a Foreign Government be supplied the Department for Mr. Wardroper on the enclosed Form DS-394.†

Accept, etc.

JAMES C.H. BONBRIGHT
for the Secretary of State

[20] Non retrouvée./Not located.

38. DEA/11649-H-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassade aux États-Unis

Secretary of State for External Affairs
to Embassy in United States

TELEGRAM EX-642 Ottawa, April 14, 1953

CONFIDENTIAL

OPENING OF CONSULATE-GENERAL AT SEATTLE

Please inform State Department of our intention to open a Canadian Consulate-General at Seattle and to appoint as Consul-General Mr. C.N. Senior, Consul at San Francisco since 1948. Mr. Senior will take up his new duties in September.

Territory of Seattle Consulate-General will comprise states of Oregon, Washington, Idaho and Montana and the territory of Alaska, formerly served by Consulate-General at San Francisco.

Press release on this matter will be issued Thursday April 16.[21]

39. DEA/11649-H-40

Le secrétaire d'État des États-Unis
au chargé d'affaires aux États-Unis

Secretary of State of United States
to Chargé d'Affaires in United States

Washington, September 14, 1953

Sir:

I have received your note No. 611 of September 10, 1953[22] enclosing, with a request for the issuance of his exequatur, the commission appointing Mr. Charles Norman Senior as Consul General of Canada at Seattle, Washington, for the States of Idaho, Montana, Oregon, and Washington, and the Territory of Alaska.

In compliance with your request there is transmitted herewith the Act of the President† recognizing Mr. Senior in the above-mentioned capacity, and the commission† which accompanied the note is returned.

Accept, etc.

WALWORTH BARBOUR
for the Secretary of State

[21] Voir le document 8 et sa pièce jointe./See Document 8 and enclosure.
[22] Non retrouvée./Not located.

3e PARTIE/PART 3

IMMUNITÉS DIPLOMATIQUES POUR LES REPRÉSENTANTS DU COMMONWEALTH AU CANADA
DIPLOMATIC IMMUNITIES FOR COMMONWEALTH REPRESENTATIVES IN CANADA

40. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CONFIDENTIAL Ottawa, October 19, 1953

BILL TO PROVIDE DIPLOMATIC IMMUNITIES
FOR COMMONWEALTH REPRESENTATIVES IN CANADA

1. Following the pattern of the legislation enacted in Australia, New Zealand and the United Kingdom, the bill will provide for:

(a) Immunity from legal process to be accorded to High Commissioners, members of their official staff, members of their family, and members of their domestic staff;

(b) Extension by Order-in-Council to other classes of Commonwealth representatives serving in Canada;

(c) Waiver of immunity in certain cases;

(d) Extension of the Act to other Commonwealth countries and exclusion of countries refusing reciprocal treatment;

(e) Issuance of a certificate by the Secretary of State for External Affairs relevant to any question on Immunity;

(f) Saving provision with respect to pending proceedings.

2. The purpose of this legislation is to make provision for diplomatic immunities for High Commissioners of Commonwealth countries, their staffs and families. A statute to this effect would complete for Canada the process of assimilating the status of High Commissioner to that of Ambassador. Similar legislation, designed to operate on a basis of reciprocity has been enacted in Australia, New Zealand, the United Kingdom and the Union of South Africa. In India the present legislation provides that High Commissioners have immunity from civil process and consideration is being given to an amendment which would provide immunity from criminal process. Pakistan and Ceylon have agreed in principle to enact similar legislation.

3. The proposed legislation will relate to immunity from legal process and inviolability of premises and archives. It will not be concerned with diplomatic privileges, such as tax exemptions. It is envisaged that the usual consular immunity from legal process and the inviolability of premises and archives may be extended

by Order-in-Council to Commonwealth representatives serving in Canada and performing consular functions.

4. The Department of Justice has confirmed that the legislation is within the legislative competence of Parliament.

5. The bill will contain about ten short sections.

6. Since legislation of this kind has been in force for some time in most of the other countries of the Commonwealth, the Canadian bill should be passed at the forthcoming session of Parliament.[23]

L.B. PEARSON

41. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], November 4, 1953

. . .

PARLIAMENT; LEGISLATION

10. *The Minister of Justice*, as Chairman of the Cabinet Committee on Legislation, submitted certain bills and legislative proposals for approval.

. . .

11. *The Cabinet*

. . .

(c) approved in principle the following legislative proposals as submitted — draft measures to be prepared accordingly:

bill to provide diplomatic immunities for Commonwealth Representatives in Canada (Cab. Doc. 258-53)

. . .

[23] Le Parlement adopta la Loi le 2 juin 1954 ; elle reçut la sanction royale le 26 juin 1954.
The legislation was approved by Parliament on June 2, 1954. It received Royal Assent on June 26, 1954.

CHAPITRE II/CHAPTER II

CONFLIT CORÉEN
KOREAN CONFLICT

PREMIÈRE PARTIE/PART 1

PROCÈS DES PRISONNIERS DE GUERRE
TRIALS OF PRISONERS OF WAR

42. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-432 Washington, February 18, 1953

CONFIDENTIAL. IMPORTANT.

KOREA — TRIALS OF PRISONERS OF WAR

Repeat Permdel No. 52.

At yesterday's regular State Department meeting on Korea Alexis Johnson said that, on General Clark's recommendation, the UNC had been authorized to bring to trial prisoners of war who committed serious individual offenses (as distinct from mass riot acts). Following paragraphs of this message give the substance of the lengthy statement which Johnson made on this matter. Your attention is drawn to paras. 6 and 7 below.

2. Chapter III of the Geneva Conventions (1949) provides that the detaining power may take disciplinary action against prisoners of war; this includes the right of trying and punishing prisoners for crimes committed after capture. Up to the present the UNC has not conducted legal proceedings against prisoners and the only measure taken against wrong-doers has been segregation. During the past few weeks there has become evident a disturbing pattern of criminal behaviour by individual prisoners, including attacks on United Nations guards (for example, one United States guard was recently assaulted when on a routine hut inspection and beaten to death; on another occasion a United States medical orderly was attacked and critically injured).

3. General Clark has pointed out that incidents such as this create a considerable danger different from that of the large-scale riots. He considers it imperative that he take appropriate judicial action in flagrant cases of this character, in order both to preserve discipline in the prison camps and to maintain the morale of the United Nations guards. Following his strong recommendations General Clark has been au-

thorized to institute courts in such cases in strict accordance with Chapter III of the Geneva Conventions.

4. It is realized that technical and legal complications will arise. It is considered that the trials will be acts of the United Nations Command. It is therefore proposed that the laws and proceedings applying shall substantially accord *mutatis mutandis* with those of United States Court Martial. This seems the simplest method. United States Court Martial procedure was radically revised at the conclusion of World War II and now provides standards in matters such as the provision of Counsel, etc., closely approximating those of the Civil Courts. In accordance with Article 99 of the Geneva Conventions legal proceedings will be taken only in cases of acts which would be regarded as criminal under the domestic laws of the detaining powers and by international practice (e.g., murder, aggravated assault, etc).

5. General Clark will be authorized to promulgate specific rules of procedure regarding trials of prisoners of war. These rules of procedure will approximate those promulgated by his command on October 12, 1951, which were not implemented as regards prisoners of war. To allow for appeal procedure, the rules will provide that the records of all POW trials conducted by General Military Commissions will be sent to Commander-in-Chief UNC, who will convene Boards of Review to scrutinize the records. The decisions of the Boards of Review will be final except in cases involving the death penalty. In all cases where the death penalty is imposed the decision of the Boards of Review must have the confirmation of the Commander-in-Chief, UNC Personnel serving on the Boards of Review must be legally qualified by either civilian or military standards. Defence Council will be made available for all accused both at initial trials and at appeal hearings but particular care will be taken not to impair prisoners' rights under Article 105 of the Geneva Conventions.

6. General Clark has already discussed his proposals for trials of prisoners of war with the Commanders of National Contingents in Korea and has requested them to co-operate in making available, where possible, suitable personnel for service on both the General Military Commissions and the Boards of Review. It is believed that General Clark has received favourable responses subject to reservations that qualified personnel may not be at hand.

7. The State Department strongly support General Clark's request for co-operation from National Commanders and hope that, the Commander-in-Chief, UNC, may be enabled to convene the courts on as wide a national basis as possible.

8. The International Committee of the Red Cross will be duly notified of pending trials of POW's prior to their commencement, as called for by the Geneva Conventions and in such a manner as to comply fully with the ICRC's position as a "protecting power".

9. Every effort will be made to treat the trials as simple and routine legal proceedings under the Geneva Conventions. The press will be admitted to the trials, so that there will be no question of secret trials, but no undue publicity will be given to the proceedings by UNC spokesmen.

10. General Clark will make a public statement regarding the convening of the Trial Commissions in the near future, possibly within two weeks. The matter will be kept confidential until General Clark's announcement.

43. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassade aux États-Unis

Secretary of State for External Affairs
to Embassy in United States

TELEGRAM EX-378 Ottawa, February 27, 1953

CONFIDENTIAL

KOREA — TRIALS OF PRISONERS OF WAR

Reference: WA-432 of February 18th, 1953.
Repeat Permdel No. 108.

Following from the Under-Secretary, Begins: At the request of the Minister of National Defence, I have sent a memorandum for our Acting Minister, dated February 25th, a copy of which is going to you by bag, setting out certain misgivings on the UNC proposal outlined in your teletype under reference.† A summary of these doubts follows:

(a) Chapter III of Section VI of Part III of the 1949 Geneva Convention stipulates that the trial of prisoners shall be carried out by the "Detaining Power". A unified operational command of the UNC type was not envisaged when the Convention was drawn up. Trials carried out as acts of UNC might contravene the letter of the Geneva Convention, but it could be argued that UNC is merely acting as the agent of the United Nations which has sufficient international juridical personality to act as a "Detaining Power".

(b) Another legal difficulty concerns what law is to govern the trials. The Geneva Convention stipulates that this shall be a law of the "Detaining Power". The State Department outline of the trial arrangements seems to indicate that United States martial law will be used. It could validly be objected that this is not the law of the "Detaining Powers".

2. As you know, the UNC has proposed that one representative of the Commonwealth Division should sit on the Commission. Presumably other countries participating in Korea will be offered the opportunity to be separately represented. On grounds of principle we might, of course, take exception to this arrangement which discriminates against Commonwealth countries. On the other hand, at the official level it is felt that it would be just as well if Canada were not represented on the Commission in view of our doubts about the legality of the procedure proposed and in view of the fact that we are not now participating in guarding prisoners. We are therefore not disposed to make an issue of discrimination.

3. I should be grateful if you would ascertain and transmit the views of other Commonwealth Missions on the UNC's proposals. I see no objection to your communicating to them our doubts about the legality of the procedure proposed but you should make clear to them that we have by no means made up our minds as to what we should say to the US.

New York Only

4. Please pass above information to the Minister.

44. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-386 Ottawa, March 3, 1953

CONFIDENTIAL

KOREA — TRIALS OF PRISONERS OF WAR

Reference: Your WA-541 of March 2† and our EX-378 of February 28 [27].
Repeat Permdel No. 111.

The Minister of National Defence has instructed our military mission in Tokyo not to nominate a Canadian officer to participate in the trials. The matter is still under consideration here and we will advise you further.

45. DEA/50069-A-40

Extrait du télégramme de l'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Extract from Telegram from Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-562 Washington, March 4, 1953

CONFIDENTIAL

KOREA — TRIALS OF PRISONERS OF WAR — COMMONWEALTH VIEWS

Reference: EX-378 of March 2nd [February 27].
Repeat Candel No. 5.

There is evidently a difference of view in the Foreign Office as to whether or not the United Kingdom should agree to participate in the trials of prisoners of war proposed by the United States. The decision will be left to Mr. Eden who is to arrive in Washington today. . . . The Embassy's advice here is likely to be that

every effort should be made to meet the United States view if that is possible without compromising legal concepts.

2. We understand that Australian views on the trials are to be given you directly by the High Commissioner's Office in Ottawa. We got the impression that, except for the need for relatively minor clarifications of trial procedure, the Australian Government is likely to agree to the constitution of the courts and to Australian participation on them. New Zealand is not likely to be represented on the courts, not so much as a matter of policy but because no qualified personnel are available in Tokyo or Korea and no one will be sent for the purpose.

3. The representatives of other interested governments do not seem to be in a position to express any firm views as yet on behalf of their governments.

46. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-401 Ottawa, March 6, 1953

SECRET. IMPORTANT.

KOREA — TRIALS OF PRISONERS OF WAR

Reference: Your WA-562 of March 4.
Repeat Permdel No. 113.

We do not intend to reach a decision as to whether or not we should agree to participate in the trials of prisoners of war proposed by the United States until we are informed of the British decision. Therefore, we should be grateful if you would endeavour to ascertain the decision of Mr. Eden on this matter and transmit it to us.

47. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-585 Washington, March 6, 1953

CONFIDENTIAL. IMPORTANT.

KOREA — TRIALS OF PRISONERS OF WAR

Repeat Candel No. 6.

On Mr. Pearson's telephoned suggestion we discussed with Alexis Johnson the possibility of certain alternatives to the United States proposal to try individual

prisoners of war in Korea. Mr. Pearson had suggested that it might be effective to segregate prisoners guilty of crimes and place them in a special prison camp, an action which would be similar to what was done in Canada with German prisoners during the last war.

2. Johnson said that the State Department shared General Clark's view that all disciplinary and administrative action possible has been taken and it has simply not had sufficient deterrent effect. Prisoners of war have been segregated into "individual confinement" for crimes which they have committed and that practice will be continued. However the punishment has not been considered to fit the crime.

3. General Clark is extremely worried about the effect which the continued commission of crimes will have on the morale of the United Nations guards and the other prisoners of war. If a United Nations guard kills a prisoner he is subject to court-martial. Up to the moment a prisoner of war who might kill a United Nations guard has not been tried by court-martial. Under these circumstances it is difficult to maintain morale among the United Nations guards. Clark believes in addition that other prisoners of war are worried about the lack of severe punishment for crimes in their midst and that as a result it is increasingly difficult to maintain discipline among the prisoners.

4. Johnson repeated the United States argument that Article 121 of the Geneva Conventions places a specific obligation on the detaining power to prosecute prisoners of war for offences against other prisoners of war and believes that the institution of the courts which the United States proposes is obligatory under the conventions. Johnson also repeated the United States arguments set out in paragraph 2 of WA-541 of March 2 emphasizing that it has been the constant effort of the Unified Command to adhere to the principles of the convention even though it has not been possible to stick strictly to the letter of the conventions. He pointed out, for example, that literal adherence to the provisions of the conventions so far as the ratification to a protecting power required in the conventions is concerned, was impossible, because the enemy had failed to appoint a protecting power, as laid down in the conventions. The United States was of the opinion that the principles of the conventions should not be frustrated simply because the other side would not adhere to them.

5. Johnson developed an argument with respect to the legal basis of the trials which has some relevance to paragraph 8(b) of your EX-378 of February 27. He pointed out that as early as October 1951 the Unified Command had promulgated regulations explicitly defining what actions by prisoners of war would constitute crimes. At the same time regulations were promulgated as to the procedures which would be used in prosecuting persons guilty of these crimes. These regulations were posted in all prisoner-of-war camps and are well known to each prisoner of war. They were promulgated by the United Nations Command and violations of them cannot be considered in the legal sense as violations of United States military law, even though the principles and procedures defined in the regulations follow closely the provision of United States military law. (The State Department believes that General Clark could have chosen the military law of any of the participating states but for convenience he chose that of the United States with minor modifica-

tions.) So far as the argument in paragraph 1 of EX-378 is concerned therefore the State Department would probably argue that if the Unified Command could be considered to have sufficient international juridical personality as an agent of the United Nations the regulations which it promulgated, no matter how striking a resemblance they might bear to those of a particular country, would have the same legal effect. Johnson let us have one copy of the regulations which were promulgated in October 1951 which will be forwarded to you immediately by air mail special delivery. The regulations which would be put into effect if the United States proposal is acted on would not differ materially from these earlier regulations.

6. We were assured that no public announcement would be made without further consultation with us although Johnson expressed the desire of the United States Government to get on with the trials.

48. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-434 Ottawa, March 10, 1953

SECRET

KOREA — TRIALS OF PRISONERS OF WAR

Reference: Your WA-585 of March 6th, 1953.
Repeat Permdel No. 117.

Following from Under-Secretary, Begins: The Minister has informed me by telephone that he has discussed this subject with Mr. Eden. While both have grave doubts about the wisdom of participating in the trials on account of the doubtful legal validity of the procedure proposed by the United States, they do not think that their individual countries should stand out alone in refusing to participate.

2. The Minister feels that we should do as the majority do and therefore has requested me to ask you to make informal inquiries of the representatives of the governments concerned to ascertain which of the latter intend to participate in the proposed trials and which do not. Ends.

49. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-630 Washington, March 12, 1953

SECRET. IMPORTANT.

KOREA — TRIALS OF PRISONERS OF WAR

Reference: EX-434 of March 10th, 1953.
Repeat Candel No. 12.

We have learned that the British Embassy here has received a repetition of a message to Mr. Eden in New York which indicates that the United Kingdom Cabinet is strongly of the view that it would be unreasonable to offer objections to the American proposals. The Cabinet was further of the opinion that United Kingdom willingness to participate in the trials should be made known to the United States Government without waiting for further consultations with other governments. The message added that the Foreign Office presumed Mr. Eden would inform Mr. Pearson of the Cabinet's views.

2. A canvass of the views of other important interested governments has yielded little information beyond that contained in WA-562 of March 4th. We have learned however that the Turks are anxious to participate and that the Belgians are unlikely to because of lack of personnel. The Dutch had asked for United Kingdom views and will presumably be influenced by them.

50. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-642 Washington, March 13, 1953

SECRET. IMPORTANT.

KOREA — TRIALS OF PRISONERS OF WAR

Reference: WA-630 of March 12th.
Repeat Candel No. 13.

The British Embassy have now notified the State Department of the United Kingdom's willingness to participate in the trials.

2. The Australian Embassy received instructions this morning to inform the State Department of the Australian Government's agreement to participate and to say

that Australian military authorities would consult with General Clark concerning the availability of Australian personnel for the trials.

51. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-464 Ottawa, March 17, 1953

SECRET. MOST IMMEDIATE.

TRIALS OF PRISONERS OF WAR IN KOREA

Reference: Your WA-642 of March 13, 1953.

Repeat Permdel No. 125; Tokyo No. 50; London No. 41.

New York only: Please pass above information to the Minister.

Following from Under-Secretary, Begins: The Cabinet Defence Committee have decided that Canada should participate in the proposed trials of prisoners of war for political reasons which outweigh the legal objections to the scheme.

Please inform the State Department that we will participate.

52. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-671 Washington, March 17, 1953

SECRET

TRIALS OF PRISONERS OF WAR IN KOREA

Reference: EX-464 of March 17.

Repeat Permdel No. 83.

The State Department have been informed of our willingness to participate in the trials.

2e PARTIE/PART 2

CORÉE : SÉCURITÉ COLLECTIVE
KOREA : COLLECTIVE SECURITY

53. DEA/5475-FA-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], April 30, 1953

KOREA — COLLECTIVE SECURITY

We have had under consideration the revision of the policy paper prepared on October 16, 1951 on the role of the United Nations in the maintenance of collective security, with particular reference to that section of it entitled "Tentative Conclusions from the Korean Experience". I understand that you would wish to have immediately our observations on the Korean experience in collective security and I now set down our preliminary comments which it is hoped to follow up with a more detailed paper at a later date.

2. In our paper of October 16, 1951, we set down conclusions which might be shortly summarized as follows:

(1) The Korean experience has demonstrated the great importance of the moral as distinct from the strictly strategic aspects of collective security. It would appear that collective security has been strengthened by the action of the United Nations and the determination to resist aggression has been fortified.

(2) In Korea the United Nations sponsored international military action to resist aggression for the first time, thereby creating an important precedent, in particular as there had been a tendency to assume that as the Charter had not been fully implemented this could not be done.

(3) Notwithstanding the recognition of the limitations of the United Nations as a military organization, the United Nations would appear to be cast for a major rather than a minor role in the maintenance of international security. If it should retreat to a minor role, it could hardly maintain sufficient prestige to exist at all.

(4) If a reasonably satisfactory settlement can be achieved in Korea, the result should be a considerable increase in the prestige of the United Nations.

(5) The major function of the United Nations is the promotion of peace rather than the waging of war. The Korean operation seems to demonstrate that the United Nations is not a suitable instrument for the operational direction of warfare, although it provides a framework for co-ordinating the efforts of countries participating in the fighting and otherwise assisting. The United Nations provides machinery for negotiations and it has been possible to limit the war and to exploit opportunities for negotiations.

(6) United Nations responsibility for maintaining collective security carries with it the danger of becoming involved in resisting aggression in cases in which strategic circumstances make such a course inadvisable. The majority of nations can support a course which only some nations have any real intention of assisting substantially.

(7) United Nations can bring together all countries opposed to aggression and can exercise a restraining influence on countries which may be inclined to take rash steps.

3. On reviewing these conclusions we would not alter them substantially. It is considered, however, that we would now place more emphasis on the degree to which the United Nations' intervention in Korea has become "an American show". Under the cover of "collective security" the military operations in Korea and the negotiations for an armistice have followed a policy dictated by the United States Government.

4. The Security Council resolution of July 7, 1950 recommended to all member states that they make military forces and other assistance available "to a Unified Command under the United States". This resolution went on to ask the United States Government "to designate the Commander of such forces". General Douglas MacArthur was accordingly designated by President Truman (to be succeeded, in turn, by General Matthew B. Ridgway and General Mark Clark). This resolution also noted the Security Council's resolution of June 27, 1950 which recommended to all members of the United Nations that they "furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area". The resolution of July 7, 1950 requests the United States to provide the Security Council with reports as appropriate on the course of action taken under the Unified Command. If these two resolutions are read together, two conclusions emerge:

(a) The Unified Command is the United States Government;

(b) The members of the United Nations are asked to furnish sufficient assistance, under the United States Government, "to repel the armed attack and to restore international peace and security in the area" of Korea.

The United States Government is thus given a virtual blank cheque by the United Nations to conduct whatever operations may be suitable to repel aggression and restore peace in Korea.

5. Canada was not a member of the Security Council at the time that these resolutions were adopted. However, a statement by the Secretary of State for External Affairs, on June 28, 1950, included the following: "As honourable members know, Canada is not now a member of the Security Council and therefore no decision on our part was required yesterday in regard to this resolution (the Security Council resolution of June 27); but I am sure that the House will support, as indeed does the Government, the action taken by the Security Council, because it represents collective action through the United Nations for peace". Pursuant to the Security Council's resolution of July 7, 1950, a letter was handed to the Secretary-General on July 12, 1950, by the Acting Permanent Delegate of Canada to the United Nations (Mr. John W. Holmes). This letter referred to a statement by the Prime Minister of

Canada on June 30 in which Mr. St. Laurent declared that: "If we are informed that a Canadian contribution to aid United Nations operations under a United Nations Commander would be important to achieve the ends of peace, which is, of course, our only purpose, then the Government wishes Parliament to know that it would immediately consider making such a contribution". Mr. Holmes' letter went on to state that three Canadian destroyers would be made available to the Unified Command. Subsequently, a letter of July 21, 1950, from Mr. Holmes to the Secretary-General, transmitted the decision of the Canadian Government to make available "a long-range air transport squadron, including ground crews of the Royal Canadian Air Force, to be included in the Pacific air lift". Finally, on August 14, 1950, a letter from the Permanent Representative of Canada (the late R.G. Riddell) to the Secretary-General informed the latter that the Canadian Government had authorized the recruitment of an additional army brigade to "be available for service in Korea as part of the United Nations forces".

6. In making available units of our naval, air and military forces to the Unified Command, in the manner described above, the Canadian Government has *inferentially* accepted the Security Council's resolution of July 7, 1950, and we have explicitly accepted the Council's resolution of June 27, 1950.

7. It should also be noted that the United States Government, during the past two and three-quarters years, has very literally interpreted these resolutions which gave it a virtual blank cheque in Korea. For example, the United States Government did not consult its Allies when it recessed the Armistice negotiations at Panmunjom in October, 1952 (although we were informed in advance that this might be done). Canada was not directly consulted when the full Armistice negotiations were recently resumed (although, again, we were informed in advance). Canada was neither consulted nor informed in advance when the United States authorized the bombing of Communist power installations on the Yalu River in June, 1952, at a time when delicate negotiations were under way to break the prisoner-of-war deadlock. Canada was not consulted (nor were we informed in advance) when President Truman issued his order to the Seventh Fleet, on June 27, 1950, "neutralizing" Formosa; nor was Canada consulted (although we were informed in advance) when President Eisenhower rescinded part of this order, and "deneutralized" Formosa in February of this year. Most important of all, neither Canada nor the other Allies of the United States were consulted, or informed in advance, when the United Nations Command interjected the principle of "voluntary repatriation" into the prisoners-of-war question in January 1952, a principle which was rapidly developed by the United States into an inflexible position.

8. These incidents illustrate the determination of the United States Government to interpret literally the Security Council resolutions of 1950 referred to above. It is also quite evident that the Canadian Government has not been able to play a prominent role either in the direction of the Korean War or in the conduct of the Armistice negotiations. There are several good reasons for this. In the first place, Canada has no representation in Korea and our information on political and economic developments there is, almost exclusively, of a second-hand nature. For this reason, we have been in no position to dispute questions of fact with the Americans, from whom we have obtained nearly all our information. Secondly, our Government

fully recognizes both the difficulties and the responsibilities of the United States in carrying out the Security Council's resolutions of 1950, and there is a natural reluctance on the part of our Government to question the decisions of the country which has provided ninety per cent of the non-Korean armed forces in this operation. Thirdly, our ties with the United States are so close that, in any case, we would be reluctant to protest to them regarding the conduct of the Korean War unless a principle of the first magnitude was involved. The result has been that Canada has had very little influence on the development of the campaign in Korea, despite the fact that a Brigade of Canadian soldiers has been in action there during most of the war. However, although we have rarely been consulted in advance of important decisions by the Unified Command (as shown in paragraph 9 above), we have not hesitated to transmit to Washington our general views on outstanding issues on Korea — e.g. on the prisoner-of-war question. The expression of these views may have had some influence in counteracting the tendency of the Unified Command to adopt extreme positions, although this is quite debatable. There is no doubt, however, that our most important role in the Korean conflict has been played through the United Nations Assembly where we have been instrumental, together with other delegations, in persuading the Americans to accept proposals which they have not favoured originally — e.g. the Indian Resolution adopted last December by the General Assembly.

9. The operation being carried out in Korea by the Unified Command can be identified as United Nations operations in various ways. The Unified Command was established pursuant to a recommendation of the Security Council addressed to members who had provided military forces in response to the earlier appeal of the Security Council for aid to South Korea. The Unified Command was authorized by the Security Council to use the United Nations flag. The commander appointed by the United States Government announced the establishment of a "United Nations Command". A United Nations service medal has been provided for personnel participating in the action in Korea, and the forces of the Unified Command are referred to as United Nations forces. Certain countries, in advising the Security Council of their response to the appeal to aid South Korea, stated that they placed forces "at the disposal of the United States authorities to operate on behalf of the Security Council in support of South Korea". Nevertheless, it is arguable whether the Unified Command is constitutionally an agent, (or at any rate a directly responsible agent), of the Security Council or of the United Nations. In presenting to the Security Council on July 7, 1950 the resolution establishing the Unified Command, Sir Gladwyn Jebb stated:

". . . Had the Charter come fully into force and had the agreement provided for in Article 43 of the Charter been concluded, we should, of course, have proceeded differently, and the action to be taken by the Security Council to repel the armed attack would no doubt have been founded on Article 42. As it is, however, the Council can naturally act only under Article 39, which enables the Security Council to recommend what measures should be taken to restore international peace and security. The necessary recommendations were duly made in the resolutions of 25 and 27 June, but in the nature of things they could only be recommendations to individual Members of the United Nations. It could not therefore be the United

Nations or the Security Council which themselves appointed a United Nations commander. All the Security Council can do is to recommend that one of its members should designate the commander of the forces which individual members have now made available. . . ."

10. Different procedures from those envisaged under the Charter or put into effect in Korea are contemplated for future United Nations action in the report of the Collective Measures Committee to the sixth session in 1951. This report referred to the arrangements contemplated under Chapter VII of the Charter whereby the organization of United Nations armed forces is to be undertaken by the Security Council with the advice and assistance of the Military Staff Committee, which is to assume responsibility for their strategic direction. The report pointed out that until such time as these arrangements can be used, the United Nations, whenever it determines upon the use of collective forces, must provide some agency to be responsible for the direction and conduct of its military operations. The report recommends that this executive military authority should have a special relationship with the participating states and the victim state and with the Secretary-General, and establish close consultative arrangements. The report states that "the Security Council or the General Assembly when it resolves to employ measures involving the collective use of armed force will formulate the objectives and general policy of the United Nations". It states that within the theatre of operations the executive military authority should have full responsibility for the co-ordination and strategic direction and control of United Nations forces within the framework of the policies and objectives as expressed through such resolutions as the United Nations may adopt at any stage of the collective action.

11. There is nothing in the resolutions which have been passed by the Security Council to indicate that the United States has been given or accepted responsibilities for consultation along the lines mentioned in the preceding paragraph. Neither constitutionally nor in actual practice could the Unified Command be expected to consult the United Nations or other governments and to be subject to instruction on the strategic direction of the fighting war in Korea. Derivative from its responsibilities of fighting the war, the Unified Command can be thought theoretically entitled to determine and must be given practically the power of determining the military factors in respect of the conduct of the war and the military aspects of a cease-fire or armistice. Neither the United Nations as such nor the states participating in the fighting in Korea can complain of the assumption of responsibility by the Unified Command in these purely military matters. In borderline cases where military questions can become political in the course of fighting as where military considerations might require the extension of the operations against a new aggressor, it would, however, appear that if the Unified Command should decide to take action on its own responsibility, it must be acting on its own behalf, and participating states and the United Nations could repudiate such action. It logically follows, therefore, that in such instances prior consultation with participating states is required, and if the operation is to be truly a United Nations operation, a United Nations body should have approved or be asked to approve such action. The borderline between the political and the military aspects of a matter is perhaps even more likely to raise difficulties in the discussion of a cease-fire or armistice. It would appear to be clear that

in its armistice conversations with the enemy the Unified Command has exceeded the reasonable bounds of what might be defined as military factors in the discussion of the principles and policies underlying the exchange of prisoners of war. In such a matter it may be difficult to draw a borderline. Military commanders have in some past wars dealt with such matters, but profound political issues were not then tied up with the question of exchange of war prisoners. It would appear, therefore, that on this aspect of the matter participating states have not been consulted by the Unified Command to the extent justified.

12. The General Assembly has adopted a resolution suggesting a solution on the question of prisoners of war. There is, however, no machinery for ensuring that the Unified Command will implement General Assembly recommendations.

13. When the General Assembly concerns itself with questions of international peace and security, it can, of course, do no more than make recommendations. The Security Council may also under Article 39 *recommend* measures to maintain or restore international peace and security. In addition, Article 39 and Article 42 envisage the taking of direct measures by the Security Council with forces placed at its disposal by agreements made under Article 43. Neither organ, however, has the right to impose (as opposed to recommend) the terms of a political settlement by measures going *beyond* those required to restore international peace and security. If, however, in the course of a United Nations operation to restore peace, carried out pursuant to recommendations either of the General Assembly or of the Security Council, an aggressor should state a particular condition under which he would desist from fighting, then the decision as to whether this condition is reasonable and whether it would be wrong for United Nations forces to reject this condition and continue fighting must be considered political, and the General Assembly (or perhaps more appropriately, the Security Council) could rightly claim a voice in this decision. It is clearly important that a decision on a political point on which a cease-fire depends should be subject to United Nations control in a United Nations operation.

14. There is a clear necessity for greater co-ordination of the political direction of the Korean war as opposed to merely strategic direction. The difficulties of providing this political direction by the United Nations are obvious. Under the Charter the Security Council would be the appropriate body, but in fact this would not work. The General Assembly has laid down broad principles on the objectives of the United Nations regarding a political settlement in Korea. It has not, of course, and should not attempt to lay down instructions for the conduct of military operations. If the United Nations is to be rightly regarded as enforcing collective security in fact and the argument that the Korean operation is not truly a United Nations operation is to be met, then in certain circumstances it may be necessary for the General Assembly to make further recommendations of broad policy within the framework of which the collective action is to proceed. On the other hand, individual nations which have committed their forces to a course of action for political reasons cannot be expected to be bound by detailed instructions from a large body of other nations. The political question of prisoners of war has been raised in the Assembly and it can be expected that the Assembly may wish to lay down further principles regarding the nature of a final settlement, and it is right that it should do so. (Apart from

the question of principle, there is perhaps some advantage in periodic General Assembly consideration of Korean developments, as it can be argued with some force that the latent extremism of the United States Government has been more successfully countered when the General Assembly has been in session than at other times.)

15. As pointed out in the preceding paragraph, there are arguments for and against greater political co-ordination of the war by the General Assembly. There are also difficulties in respect of greater political co-ordination, by action outside the Assembly, by the states contributing forces. The need for greater political co-ordination by such states would appear, however, to be evident, and more particularly so in default of effective action by the General Assembly. No country can be expected to commit its forces to political ventures not clearly defined, when it places them under foreign command.

16. It would appear to be the case that the consultations which have taken place between the states contributing forces to the Korean operation have not been adequate. It is true that it is difficult to draw a line between consultation and the supply of information of intention in advance. It is also true that there are weekly meetings in Washington of the Ambassadors of countries with forces in Korea. However, for a long time these meetings have been merely "briefing sessions" at which the Ambassadors listen to reports by United States generals and by the officials of the State Department. If any of the countries concerned has any particular point to raise regarding the conduct of the war or armistice negotiations, they do so on a bilateral basis through direct approaches to the Americans rather than at these "briefing sessions".

17. It emerges from the foregoing that a lesson to be drawn from the Korean experience is the need to establish more formal arrangements for consultation between participating states undertaking collective action, in the event of further aggression.

L.D. W[ILGRESS]

3e PARTIE/PART 3

FORCES DE SÉCURITÉ
SECURITY FORCES

54. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], September 24, 1953

. . .

KOREA; (. . .) CANADIAN CONTRIBUTION TO SECURITY FORCES

18. *The Minister of National Defence* reported that, at the United Kingdom's suggestion, consideration had been given to the size and organization of Commonwealth forces which would be needed in Korea when risk of renewal of hostilities had declined. On the basis that the present Commonwealth Division would be reduced to an integrated brigade group, it had been suggested that the composition might be as follows:

(a) United Kingdom	– One Infantry Battalion
	– One Field Artillery Regiment
	– One Field Squadron, Royal Engineers
(b) Canada	– One Infantry Battalion
(c) Australia	– One Infantry Battalion
(d) New Zealand	– One Transport Company
(e) India	– One Field Ambulance

Insofar as naval forces were concerned, the following has been suggested:

(a) United Kingdom	– One destroyer or frigate
(b) Canada	– One destroyer or frigate
(c) Australia	– One destroyer or frigate
(d) New Zealand	– One frigate

If a Canadian contribution to the Korean Security Forces was approved on the suggested scale, the air transport required to service Canadian forces in Korea would be reduced accordingly.

An explanatory note had been circulated.

(Minister's memorandum, Sept. 23, 1953 — Cab. Doc. 215-53).†

. . .

20. *The Cabinet,-*

(a) agreed that other Commonwealth nations participating in the United Nations action in Korea be informed that Canada would be prepared to agree to contribute one infantry battalion and one destroyer or frigate to the Commonwealth Security Forces that would be needed in Korea when the risk of renewal of hostilities had declined;

. . .

4e PARTIE/PART 4

NÉGOCIATIONS EN VUE DE L'ARMISTICE
ARMISTICE NEGOTIATIONS

55. DEA/50069-A-40

Extrait de la note pour la délégation à la septième session de l'Assemblée générale[1]

Extract from Memorandum for Delegation to the Seventh Session of the General Assembly[1]

SECRET [Ottawa], February 20, 1953

KOREA

The basic guidance for the Delegation on this subject remains the memorandum approved by the Cabinet on October 9, 1952, which is included in the Commentary. Since that date, the Cabinet has taken no decisions which alter these instructions.

. . .

2. Since the Assembly recessed on December 22, 1952, the most important development, from the Canadian standpoint, has probably been the lengthy debate on Far Eastern questions which has recently taken place in the House of Commons. During the course of this debate the Minister re-stated our position on Korea (and related subjects) in considerable detail. These policy statements will provide useful guidance to the Delegation and, accordingly, excerpts from the Minister's statements of February 11, February 16 and February 17 are attached as Appendices "B", "C" and "D" to this present note.†[2] On February 5, the Minister made a special statement on Formosa, with regard to the action taken by President Eisenhower in modifying the original order to the Seventh Fleet in that area. The Minister's statement on this subject is attached as Appendix "E".†[3] (References to Formosa will also be found in some of the other attached excerpts from the statements by the Minister). It seems quite possible that President Eisenhower's actions regarding Formosa will be discussed at the resumed Assembly, and this statement should be useful to the Delegation.

3. Just before the Assembly recessed in December, the League of Red Cross Societies transmitted, by telegram to the Secretary-General of the United Nations, a resolution adopted by them in Geneva on December 13, 1952, calling for the immediate repatriation of sick and wounded prisoners "in accordance with the appropri-

---

[1] Notre exemplaire du document porte la note dactylographiée suivante:/The following was typed on this copy of the document: Approved by Under-Secretary. February 20.

[2] Pour les déclarations dont il est question ici, voir Canada, *Débats de la Chambre des communes*, session 1952-1953, 11 février, pp. 1959-1960; 16 février, pp. 2108-2114; 17 février, pp. 2121-2129. For the statements referred to, see Canada, House of Commons, *Debates*, Session 1952-1953, February 11, pp. 1847-8; February 16, 1990-5; February 17, pp. 2003-2010.

[3] Voir *Ibid*, 5 février, pp. 1740-1742.
See *Ibid*, February 5, pp. 1638-40.

ate articles of the Geneva Conventions". This resolution of the Red Cross was distributed by the Secretary-General on December 22, and no action was taken on it at the first part of the Assembly. We have been in touch with the US and UK authorities as to how they consider this resolution might be handled when the Assembly reconvenes. It should be noted that the United States Government has now issued instructions to their liaison officers at Panmumjom, authorizing them to advance once more the proposals previously made by the UNC for the repatriation of sick and wounded prisoners. The renewal of these proposals by the UNC will no doubt be related to the resolution of the Red Cross mentioned above. Any action taken by the Assembly on this matter will, of course, depend considerably on the reply made to these proposals by the Communist side. The United Kingdom is apparently thinking tentatively of a resolution which might note the rejection by the Chinese Communist and North Korean authorities of the Indian resolution; and include an appeal calling for the repatriation of sick and wounded prisoners. The US is apparently not too enthusiastic about a resolution in the Assembly regarding sick and wounded prisoners (or, for that matter, any other resolution). In discussion on this subject with officials of the Department on February 17, the Minister gave his preliminary opinion that it might be preferable to separate the humanitarian question of the repatriation of sick and wounded prisoners from any other resolution which might be required concerning the rejection by the Communists of the Assembly's proposal of December 3. He added the comment that, "if any new Korean resolution is to be introduced surely a humanitarian one . . . would cause maximum embarrassment to the Soviet".

4. The general attitude of the US authorities on Korea at the resumed session of the Assembly appears to be that they are not persuaded that there is much purpose in having any further resolution adopted, and that the Assembly should rest on the Indian resolution passed on December 3, 1952. Our information is that the Americans are not planning to advance a resolution calling for further economic sanctions against Communist China (or for any other additional measures of a political or military nature). They have now apparently dropped the idea they once had of a proposal for a continuing committee of member states to consider the provision of additional military assistance in Korea.

5. The information contained above is very preliminary. Indeed, the general impression left by our discussions up to date with the US and UK authorities is that their tactics for handling the Korean question at the Assembly have not yet been fully considered. Both Governments also seem rather inclined to take the position that, as they do not themselves wish to have a "political" discussion on Korea at the resumed Assembly, the majority of other delegations will think likewise. A memorandum from the Department to the Minister of February 18 expressed the view that such an attitude on the part of the two leading western powers might well have the effect of placing the democracies on the defensive when the debate on Korea is resumed.[4] For example, we have yet no information regarding the intentions of the Soviet Delegation, but it seems quite likely that they will raise the question of Formosa. If this issue is raised, it may well prove to have a very decisive effect be-

[4] Voir le document 236./See Document 236.

tween the United States and the non-Communist Asian countries. It is obvious that it might also cause some difficulty between the United Kingdom and the United States. This point does not, however, seem to have been given much attention by the two governments mentioned.

6. We have no information that India is planning to take any further initiative at this session of the Assembly, but there have been some reports that Indonesia may advance a proposal for a political conference on Far Eastern problems. According to this information, the Indonesian Delegation recently suggested to a caucus of Arab-Asian states that the next step in breaking the deadlock in Korea should be to refer not only the prisoners of war question, but other issues such as Formosa and Chinese representation in the United Nations, to a political conference consisting of the Big Five and a group of Asian states. This proposal would be intended to go a good deal of the way toward the Soviet proposal for an eleven-power commission, which the Assembly rejected at its first session. Our information is that this Indonesian proposal did not receive an encouraging response from the other Arab-Asian states. It was opposed by Thailand and both the Indian and Pakistani Delegations indicated that they were not intending to take an active role on Korean matters at the resumed session.

56. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations to Secretary of State for External Affairs

TELEGRAM 74 New York, March 12, 1953

CONFIDENTIAL

KOREA — RESUMÉ OF DEBATE AT RESUMED SESSION

Repeat Washington No. 46.

1. Although the Korean debate made no discernible progress in solving the outstanding prisoner-of-war issue or bringing closer the cessation of hostilities, we think it was not without value. It emphasized the isolation of the Soviet bloc on the all-important prisoner-of-war question, since there were no defections from the overwhelming support which had been given in the initial part of the Seventh Session to the Indian resolution. In the face of the numerous reiterations of this support, the Soviet bloc, mustering only a few speakers, appeared to be rather swamped. This impression was emphasized by the unanimous support, with the exception of the Soviet bloc, given to the seven-power resolution on the reports of the United Nations Agent General for Korean Reconstruction and the equally overwhelming rejection of the Soviet resolution on the same subject.

2. Much of the fire on the Communist side was extinguished with the departure of Vishinsky for Moscow during the latter part of the discussion. However, it does not

seem that his continued presence would have turned the tide unless he could have either offered some new constructive proposal or held out hope of one.

3. The Soviet Delegation did neither of these things, merely standing on their resolution of December 3 calling for an immediate cease-fire and the handing over of the prisoner-of-war question to a neutral commission, which had already been rejected by the General Assembly.

4. The immediate answer to Mr. Martin's appeal to Vishinsky for a new forward-looking proposal,[5] and to the French delegate's reference to Stalin's reply to Reston last Christmas that he would co-operate in bringing about peace in Korea,[6] was apparently given by Zorin[7] on March 8, when he merely said that the Soviet Union's interest in peace in Korea had been made clear.

5. Apart from repetition of claims that South Korea started the war by attacking North Korea, the main themes interwoven through the Communist speeches were:

(1) The Republican Party in the United States is a war party;

(2) There is a difference of aims between the American ruling classes and the people;

(3) The allies of the United States and other United Nations countries have allowed themselves to be used to serve the aggressive purposes of American imperialism. (Zorin put this point specifically with reference to United States' support of Chiang Kai-Shek).[8]

(4) The only apparent way to end the war is acceptance of the Soviet proposals for immediate cessation of hostilities, with the prisoner-of-war issue being referred to a commission of designated powers.

6. Communist interventions in the last few days of the debate appeared to be somewhat perfunctory and they gave the impression that they were not unhappy to see the discussion brought to a close. Gromyko[9] spoke strongly, however, at the Plenary Session when he summed up the Soviet position during his only appear-

---

[5] Pour le texte du discours de Martin, voir Nations Unies, *Documents officiels de l'Assemblée générale, septième session, Première Commission*, 564e séance, 5 mars 1953, pp. 400-401.
For the text of Martin's speech, see United Nations, *Official Records of the Seventh Session of the General Assembly, Seventh Session, First Committee* , 564th Meeting, March 5, 1953, pp. 385-7.

[6] Il s'agit de la réponse de Staline aux questions posées par James Reston du *New York Times*.
This refers to Stalin's response to questions submitted by James Reston of the *New York Times*.

[7] V.A. Zorine, vice-ministre des Affaires étrangères de l'Union soviétique; représentant auprès du Conseil de sécurité des Nations Unies.
V.A. Zorin, Deputy Minister for Foreign Affairs of Soviet Union; Representative on the Security Council of the United Nations.

[8] Le généralissime Tchang Kaï-chek, président de la République de Chine.
Generalissimo Chiang Kai-Shek, President of Republic of China.

[9] A.A. Gromyko, ambassadeur de l'Union soviétique au Royaume-Uni; représentant, délégation à la septième session de l'Assemblée générale des Nations Unies.
A.A. Gromyko, Ambassador of Soviet Union in United Kingdom; Representative, Delegation to Seventh Session of the General Assembly of the United Nations.

ance in the debate. It may be that the Communists have "Korean surprises" up their sleeves to be produced when the Polish item[10] is discussed.

7. There was considerable gratification that the Indian Delegation, for whom Menon was again the spokesman, did not in any way retreat from the position which it had taken when sponsoring its resolution in the first part of the session. Menon reiterated the principles of this resolution and said that the Indian Delegation still considered that it pointed the way to a workable solution of the problem.

8. The remarks of Palar (Indonesia) had more of a neutralistic tinge than those of the Indian Representative. (He thought questionable, for example, the argument alleged against the Soviet resolution that, if a cease-fire occurred before prisoners-of-war were exchanged, they might be held indefinitely as political hostages). His recommendation that an attempt should be made to solve the Korean problem within the wider context of world tensions, through a meeting between the United States and the Soviet Union, was echoed by the Egyptian representative.

9. The keynote of the United States Delegation's role in the debate was struck by Lodge in the opening address of the resumed session. His ten points were cited to spotlight the Soviet Union's record of aiding the North Korean and Chinese aggression. Lodge did not speak at length at any time and his only other interventions in the political debate were for the purpose of making immediate replies to Communist allegations.

10. The United Kingdom Delegation did not play a large part in the discussion. Jebb re-affirmed his Government's position on the Indian resolution and took the attitude that prolonged debate would be vain at this time. Eden, speaking at the Plenary Session, noted the unanimity of opinion confronting the Soviet Union in the United Nations discussion of the Korean item.

11. The Canadian appeal to Vishinsky to make new constructive proposals immediately, if he had anything in mind, which was taken up by the French delegate, produced no result. American fears that this appeal would prolong the debate unnecessarily did not prove to be justified. Menon expressed to Mr. Martin the Indian Delegation's approval of the line taken in the Canadian speech, and Mr. Martin was privately complimented on his address by the Chairman of the Political Committee (Muniz).[11]

---

[10] "Mesures tendant à écarter la menace d'une nouvelle guerre mondiale et mesures tendant à consolider la paix et l'amitié entre les peuples." Il s'agissait du Point 72 de l'ordre du jour de la septième session de l'Assemblée générale des Nations Unies.
"Measures to avert the threat of a new world war and measures to strengthen peace and friendship among the nations." Item No. 72 on the agenda of the Seventh Session of the General Assembly of the United Nations.

[11] João Carlos Muniz du Brésil.
João Carlos Muniz of Brazil.

57. DEA/50069-A-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United States
to Secretary of State for External Affairs*

TELEGRAM WA-774 Washington, March 28, 1953

SECRET. IMMEDIATE.

KOREA

Reference: Our WA-773 of March 28th, repeated to Candel as No. 22.†
Repeat Candel No. 23 (Immediate).

The United States authorities are giving close consideration to the communication addressed to General Clark by the Communist commanders.[12] General Clark is to proceed at once with arrangements for the immediate repatriation of sick and wounded prisoners. He will not for the moment make any reference to the suggestion that the armistice discussions at Panmunjom be resumed. He will be instructed on this point by Washington after a decision has been reached. No decision will be made pending the outcome of the arrangements for the immediate exchange of sick and wounded prisoners of war.

2. The State Department's preliminary reaction, as expressed by Alexis Johnson, to the proposal for resumption of the armistice discussions, is one of caution. It is realized that this is a matter of great importance and it will be carefully considered from all angles. It is thought that the Communist intention should be explored. The Department do not seem to think that the armistice discussions should be resumed at once merely on the basis of the exchange of sick and wounded prisoners and nothing more.

3. Johnson said that of course the State Department would be in communication with us before a decision were made on such a matter as resumption of the armistice discussion.

[12] Le 28 mars, la Chine et la Corée du Nord acceptèrent l'offre des Nations Unies d'échanger des prisonniers malades et blessés avant la fin de la guerre. On proposa aussi que les pourparlers en vue de l'armistice, qui étaient suspendus, reprennent immédiatement.
On March 28 China and North Korea agreed to a United Nations offer to exchange sick and wounded prisoners before the end of the war. It also proposed that suspended armistice talks be resumed immediately.

58. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-780 Washington, March 30, 1953

SECRET. IMPORTANT.

KOREA

Reference: WA-774 of March 28.
Repeat Candel No. 24.

General Clark's views, which have been received, approximate those of the State Department as outlined in paragraph 2 of WA-774.

2. Instructions have now gone to General Clark as a result of the careful consideration which was given to the situation over the weekend by the administration. We have been informed in confidence that the President's opinion on the matter was sought.

3. Following is text f the letter which General Clark has been instructed to send to Communist Commanders, subject to further views which he might have:-

Begins:

I hereby acknowledge with pleasure the receipt of your letter of 28 March 1953, in reply to my letter of 22 February 1953, and understand that you are fully prepared in accordance with our proposal to proceed immediately with the repatriation of all seriously sick and wounded captured personnel during the period of hostilities. Accordingly, I propose that a meeting of liaison groups headed by a General or flag officer representative from each side be held at Panmunjon, at your earliest convenience, to make necessary detailed arrangements for the exchange of these captured personnel.

I share the hope you expressed that a conclusion of the exchange of sick and wounded prisoners of war during the period of hostilities would make more likely a smooth settlement of the entire prisoner of war question. Accordingly I will be prepared to instruct my Liaison Group as a second order of business to meet with your Liaison Group to arrange for a resumption of armistice negotiations by our respective delegations. We take it as implicit in your suggestion in this respect that you would be prepared to accept United Nations proposals or make some comparable constructive proposal of your own which would constitute a valid basis for resumption of delegation meetings.

I request that you advise me as soon as possible of your decision on my proposal with regard to the time of meeting between the Liaison Groups of both sides to arrange for the repatriation of all seriously sick and wounded captured personnel. Ends.

4. This seems to be a well-contrived message. It accords with the idea that the good faith of the Communists should be tested by their behaviour and attitude in the exchange of sick and wounded prisoners of war. It also, while welcoming the Communists initiative, assumes that it has been taken on a constructive basis so far as resumption of the armistice negotiations is concerned.

59. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 128 New York, April 1, 1953

CONFIDENTIAL. IMPORTANT.

GENERAL ASSEMBLY — KOREA

Reference: My immediately preceding telegram.†
Repeat Washington No. 85.

Following from Johnson, Begins: No proposal since the Korean war began has raised such high hopes of an armistice among delegations here as Chou En Lai's statement of March 30 transmitted to the President of the General Assembly to-day, March 31. When Mr. Pearson told the assembly this afternoon that he had received this communication and expressed the hope that it might soon lead to peace in Korea he was roundly applauded. It is the general view among all delegations with whom we have discussed the matter that although stumbling blocks on the way to a settlement may be concealed in some of the ambiguities in Chou's statement, nevertheless its general tone is serious and, taken in the context of a whole series of moves pointing in the direction of conciliation, the offer should be seriously explored without delay. As a member of the United States delegation put it, one swallow may not make a summer, but in recent weeks half a dozen have been sighted.

2. Naturally the Indian and Mexican delegations have been particularly elated by Chou's statement which seems to combine in simplified form elements of both the Indian and Mexican proposals.

3. Krishna Menon and a number of other Asian delegations would like to see the Chinese proposal debated as soon as possible by the General Assembly. In fact, when he saw Mr. Pearson yesterday, Menon suggested that there should be immediate discussion on the new Chinese proposal. Mr. Pearson dissuaded Menon from raising this question in the General Assembly yesterday. I hope to have a talk with Mr. Pearson later in the day and to let you have his views on the desirability of an early debate in the General Assembly on this question.

4. On the other hand, the United States delegation, as you might expect, are strongly of the opinion that to have the assembly discuss the Chinese proposal would only delay direct negotiations at Panmunjom. They take the view, with

which the United Kingdom delegation concur, that it would not be useful for the assembly to discuss Korea unless a deadlock occurs once again in the talks at Panmunjom. The United States delegation is hoping that by the time the assembly resumes after Easter the talks at Panmunjom will already have commenced.

5. In any case, there will of course be ample opportunity for a discussion of Chou's proposals under the Polish item although the Polish resolution tabled last Fall is hardly consistent with the latest Chinese proposals.

6. There has been a good deal of informal discussion among delegations as to what the Chinese mean by "a neutral state". It seems quite clear on the face of it that they do not mean a demilitarized zone in Korea as some United States press comments suggest. Probably the most obvious neutral state to which prisoners unwilling to be repatriated would be sent is India, but Krishna Menon has been hastily pointing out to all and sundry that his country is not a neutral as it has an ambulance unit "right up at the front". Ends.

60. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Delegation to the General Assembly of the United Nations

TELEGRAM 51 Ottawa, April 2, 1953

CONFIDENTIAL. IMPORTANT.

KOREA

Following from the Under-Secretary, Begins: The following is the text of a memorandum prepared in the Department comparing Chou En-Lai's statement of March 30 with the Resolution adopted by the Assembly on December 3, 1952. This memorandum was forwarded to the Minister today.

Text Begins:

"Assembly Resolution

1. The Assembly resolution called for the establishment (paragraph 1) of a Repatriation Commission, consisting of the four states agreed upon for the Neutral Nations Supervisory Commission (i.e. Czechoslovakia, Poland, Sweden and Switzerland). To these four states an "umpire" would be added (paragraph 13), who would have the deciding vote in the event of disagreement between the four members of the Commission. The "umpire" would also usually act as Chairman of the Commission. All prisoners would be released to the Repatriation Commission from military control and from the custody of the detaining side (paragraph 4). Classification of the prisoners would then proceed according to nationality and domicile. After classification, prisoners who wished to return home would be free to do so (paragraph 6). The remainder would be held "under the temporary jurisdiction" of the Repatriation Commission (paragraph 8). At no time would force be used against the pris-

oners (paragraph 3). Red Cross teams would have access to them (paragraph 8); and both parties to the conflict would have "freedom and facilities" to explain to the prisoners their rights and to inform them of any matter concerning their repatriation (paragraph 7). At the end of 90 days after the Armistice Agreement has been signed, the question of the disposition of the remaining prisoners would be referred to the political conference provided for under Article 60 of the Draft Armistice Agreement (paragraph 17 of the resolution). If, at the end of a further 30 days, the political conference is unable to reach agreement, "the responsibility for their care and maintenance and for their subsequent disposition shall be transferred to the United Nations, which in all matters relating to them shall act strictly in accordance with international law" (paragraph 17).

Chinese Statement

2. In comparison to these detailed provisions of the Assembly resolution the Chinese proposal is extremely vague, thus far at least. Chou En-Lai stated, on March 30: "The Government of the People's Republic of China and the Government of the Democratic People's Republic of Korea propose that both parties to the negotiations should undertake to repatriate immediately after the cessation of hostilities all those prisoners of war in their custody who insist upon repatriation, and to hand over the remaining prisoners of war to a neutral state so as to insure a just solution to the question of their repatriation". He added that the Peking Government did not "acknowledge the assertion" of the United Nations Command that some prisoners did not wish to return home; and he again invoked Article 118 of the Geneva Convention which states, in part: "Prisoners of War shall be released and repatriated without delay after the cessation of active hostilities". Chou En-Lai's statement also provides for "explanations by the parties" to those prisoners handed over to the custody of the neutral state, but it makes no mention of access to these prisoners by Red Cross teams.

Analysis

3. Several questions immediately arise from the above comparison of the two proposals:-

a) What "neutral state" do the Chinese have in mind? Would it be a genuine neutral, such as Switzerland, or a "phoney" neutral (e.g. Poland)?

b) Would the prisoners be actually *sent* to this neutral state, or would they be brought to a demilitarized zone where representatives of the neutral state would supervise their release and repatriation?

c) Paragraph 17 of the Assembly resolution, as noted above, provides, firstly, for a reference to the political conference of the question of disposing of the remaining prisoners, if the Repatriation Commission is unable to settle this question; and, secondly, for a reference of the question back to the United Nations, if the political conference is unable to settle it. The Chinese proposal is silent on this question. Would the "neutral state" have ultimate powers for disposing of the prisoners who did not wish to return home? Would there be no appeal from the ruling of the neutral state?

d) Would the Chinese proposal permit access by Red Cross teams to the prisoners, while they were held in the custody of the neutral state?

e) Would the Chinese proposal mean the *immediate* repatriation of prisoners who wished to return home — i.e. before classification?

4. At present, until some of these questions have been answered, it is not possible to make a more detailed comparison of the two proposals. Nevertheless, it seems clear already that the principle underlying the Chinese proposal is sufficiently close to that underlying the Assembly's resolution to justify immediate resumption of the full armistice negotiations at Panmunjom."

Text ends. Message ends.

L.D. W[ILGRESS]

61. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-557 Ottawa, April 2, 1953

SECRET. IMPORTANT.

KOREA — PRISONERS OF WAR

Repeat Candel No. 49.

Following for the Ambassador from the Under-Secretary.

We in the Department were encouraged by the moderate and sensible nature of the reply to the Communists given in General Clark's letter, the text of which was contained in your WA-780. In particular we were glad that this letter *did* make reference to the Communist suggestion for resumption of the full armistice negotiations, and that it did not follow the original State Department plan of avoiding reference to this subject (paragraph 1 of your teletype WA-774).

2. We are also inclined to agree with the views expressed by Hickerson and Alexis Johnson in your WA-801† that General Clark's letter to the Communist Commanders does not seem out of accord with Chou's statement, in that they both appear to envisage a satisfactory conclusion of the repatriation of sick and wounded prisoners before resumption of the full armistice discussions. Ends.

62. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-899 Washington, April 13, 1953

SECRET. IMPORTANT.

KOREA — ARMISTICE NEGOTIATIONS

Reference: WA-885 of April 10th.†
Repeat Candel No. 45.

We had a discussion at the State Department with Alexis Johnson today in order to ascertain the attitude of the United States towards the North Korean and Chinese requests for resumption of the full armistice talks at Panmunjom.

2. Johnson repeated the concern of the State Department about the Communists' refusal to clarify Chou En-Lai's proposal and the impression created by Nam Il's letter of April 9th to General Harrison. He said that what the Communists appear to envisage is the shipping of those POWs not directly repatriable to an unnamed neutral state, where they would be subject to the blandishments of the Communists for an unspecified period and where they would be faced only with the alternatives of returning to the Communist side or of indefinite detention. The Communists continue to state categorically that none of their personnel would be unwilling to return. Johnson cautioned that it is still difficult to see at this stage a real basis of agreement.

3. Nevertheless the United States is apparently willing to accede to the Communist request for resumption of the truce talks, provided that the exchange of sick and wounded prisoners goes smoothly. (President Eisenhower is adamant that the repatriation of sick and wounded prisoners must get under way before the main talks can be resumed).

4. It is considered important, in view of the Communist failure to explain their plan, that the UNC should make clear to them, prior to resumption of the negotiations, the type of arrangements which the United Nations Command would consider reasonable and practicable within the framework of Chou En-Lai's proposal.

5. It is expected that authority will shortly be despatched to General Clark to have General Harrison send to Nam Il a letter along the following lines:

"The Commander in Chief, United Nations Command, has authorized me to instruct the United Nations Liaison Group to meet with your Liaison Group on April 17th or 18th to discuss matters incidental to resumption of the plenary sessions of the armistice delegations as requested by you on April 11th. The United Nations Command has studied the statement of your official position but does not find the amplification of details regarding the statements of Foreign Minister Chou En-Lai and Marshall Kim Il Sung which was requested in General Clark's letter of April

5th. However in view of the agreement of the Chinese and North Korean Commanders in their letter of April 1st to proposals made in General Clark's letter of March 31st, it is assumed that you are prepared to accept UNC proposals or make a comparable constructive proposal of your own, which would constitute a valid basis for resumption of the meetings.

"In connection with the statements of Foreign Minister Chou En-Lai and Marshall Kim Il Sung, the UNC would consider that arrangements such as the following would be reasonable and constructive and could lead to a prompt resolution of the problem:

(1) The neutral state be a nation such as Switzerland, traditionally recognized as appropriate in matters of this kind;

(2) In the interests of practicability, POWs who are not directly repatriated be transferred to the custody in Korea of the neutral state;

(3) After a reasonable time, such as 60 days, has elapsed, during which arrangements will be made by the neutral state to permit access to personnel held in its custody, the neutral state will make arrangements for the peaceable disposition of those remaining in its custody.

[The UNC considers that the purpose of resuming full delegation meetings can be achieved only if a reasonable and practicable solution can be promptly found.]"

6. Final government approval has not yet been given to the draft of this letter but it is expected that within a few hours General Clark will be authorized to have a communication of substantially this text transmitted to the Communists. Johnson said that the language of the sentence enclosed in square brackets is still under discussion. What it is intended to convey is that the UNC will not return to Panmunjom to haggle *ad infinitum*.

7. Johnson made clear, in answer to our enquiry, that United States willingness to resume the armistice talks is not unnecessarily contingent on a reply being given at the liaison officers meeting to the UNC proposals outlined above. The letter which General Harrison will send to Nam Il will not specifically call for a reply. What is envisaged is that the liaison officers will meet on April 17th. If nothing untoward occurs between now and then the UNC Liaison Group will be prepared to agree upon setting the date for a meeting of full delegations, probably about April 23rd or April 24th.

8. Johnson said that an effort had been made in drafting the letter to be sent by General Harrison to avoid provocation and to set out a practicable scheme within the framework of the general proposal made by Chou En-Lai.

63. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-646 Ottawa, April 14, 1953

SECRET. IMPORTANT.

KOREA — ARMISTICE NEGOTIATIONS

Reference: Your WA-899 of April 13.
Repeat Minister, New York; Candel No. 79.

Following from the Under-Secretary, Begins: In general we think the procedure contemplated by the State Department, and outlined in your teletype under reference, is a reasonable one. The proposed reply to the Communist side certainly provides a basis for the resumption of the full armistice negotiations but yet contains safeguards to prevent interminable haggling at Panmunjom when the discussions are resumed.

2. Regarding the draft letter in para. 5 of your teletype the view in the Department, on the official level, is that Switzerland would be quite acceptable to us as the "neutral State", and that the procedure of transferring the prisoners "to the custody in Korea of the neutral state" is the most practicable course to follow.

3. In this connection, you will by now have seen our teletype EX-565 of April 2 (No. 51 to New York) containing a memorandum prepared in the Department comparing Chou En-Lai's proposal of March 30 with the resolution adopted by the Assembly on December 3, 1952 (the Indian Resolution). The suggested draft reply contained in your teletype WA-899 seems to answer, to some extent, the questions raised in paragraphs 3 (a) and 3 (b) of that memorandum. However, we are particularly interested in the paragraph in the draft letter contained in WA-899 which states:- "After a reasonable time, such as sixty days, has elapsed, during which arrangements will be made by the neutral state to permit access to personnel held in its custody, the neutral state will make arrangements for the peaceable disposition of those (prisoners) remaining in its custody". Would this phrase mean that the neutral state (Switzerland) would have ultimate powers for disposing of those prisoners who did not wish to return home? In other words, would the provisions contained in paragraph 17 of the Assembly's Resolution of December 3, 1952 (i.e. reference of this question to the political conference and, if necessary, further reference from the political conference back to the United Nations) no longer apply?

4. You will recall that these amendments to paragraph 17 of the Assembly's Resolution were inserted very largely at American insistence, to meet their view that the Repatriation Commission should not have ultimate power for disposing of those prisoners who did not wish to return home. Judging from your teletype WA-899 the present United States administration appears ready to compromise on this point and to give ultimate power to the neutral state, if a genuine neutral, such as Switzerland,

can be agreed on. We would very much appreciate information from you as to whether this is a correct interpretation. If it *is* a correct interpretation, we think it might well increase the possibility of an agreement being reached on this subject. Ends.

64. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-904 Washington, April 14, 1953

KOREA — STATE DEPARTMENT MEETING OF APRIL 14

Repeat Candel No. 46.

The agreement for the repatriation of sick and wounded prisoners was signed at the meeting of liaison officers at Panmunjom at 12:10 p.m. on April 11. The final official text of the agreement has not yet been received by the Pentagon but the State Department say the text published in the New York Times on April 12 may be regarded as correct.

2. The record of the liaison officers' meeting on April 11 is being forwarded by bag.† At their meeting on April 12 the liaison officers agreed that the repatriation of sick and wounded prisoners should commence on April 20th.

65. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-913 April 15, 1953

SECRET. IMPORTANT.

KOREA — ARMISTICE NEGOTIATIONS

Reference: EX-646 of April 14.
Repeat Candel No. 49.

The present view of the State Department is that if the Neutral State should be Switzerland, that state should be given the ultimate say in disposing of those prisoners who would not wish to return home, subject only to the limitation implied in the words "peaceable arrangements". The Department appears to agree that this procedure, if practicable, would be preferable to that embodied in the Indian resolution, which would refer the matter to the political conference and if necessary to the United Nations.

2. Alexis Johnson said that the United States' attitude on this point would be related to the identity of the Neutral State agreed upon. He thought that if it should be a state other than Switzerland, it might be necessary "to make the terms of reference more specific".

3. Johnson said that the language on this point in General Harrison's draft letter had been deliberately left a little vague, as it was considered that it would have a greater chance of obtaining agreement in this form.

4. Instructions as outlined in WA-899 have not yet gone to General Clark. There have apparently been some discussions about language but substantive changes are not expected.

66. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-917 Washington, April 15, 1953

SECRET. IMPORTANT.

Repeat Candel No. 51.

Instructions have now gone to General Clark along the lines of WA-899. The sentence within square brackets in paragraph 5 in WA-899 has been re-worded as follows:-

"The UNC is of the opinion that, unless the meetings of the full delegations indicate that an acceptable agreement will be reached in a reasonable time, it will be advisable to recess the meetings".

Johnson repeated that it was considered necessary to make it quite clear that the UNC would not be willing merely to resume useless propaganda exchanges at Panmunjom.

67. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures à l'ambassade aux États-Unis

Secretary of State for External Affairs to Embassy in United States

TELEGRAM EX-803 Ottawa, May 8, 1953

CONFIDENTIAL. IMMEDIATE.

KOREA — ARMISTICE NEGOTIATIONS

Repeat Permdel No. 213.

Following from the Acting Under-Secretary, Begins: We are surprised at press reports in today's papers that the United States administration may regard as unacceptable the provision in the Communist counter-proposal naming Czechoslovakia and Poland as members of the proposed "Neutral Nations Repatriation Commission". As you know, these states have already been accepted by the Americans as members of the "Neutral Nations Supervisory Commission" in paragraph 37 of the Draft Armistice Agreement; and they were also included as members of the "Repatriation Commission" in the Indian Resolution supported by the United States, last December. If these press reports are true, it would indicate that the US authorities do not consider themselves bound by the terms of the two documents referred to above.

2. It is also reported that the US administration is opposed to the provision in the Communist counter-proposal calling for the reference of the question of the disposition of prisoners who do not wish to return home, to the political conference to be called following an armistice. This provision was also, of course, included in paragraph 17 of the revised Indian Resolution, supported by the United States, although we realize that American support for this provision was only obtained with difficulty. (We also recognize that the Indian Resolution contained an additional provision that, if the political conference were unable to settle this question, the matter should be referred back to the United Nations.)

3. We would appreciate any immediate information you may be able to obtain as to whether these press reports regarding United States objection on the two points mentioned are accurate. We would also appreciate receiving the text of the new Communist proposal as, up to date, we have only seen reports of it in the press.

4. You may wish to discuss this teletype with the Minister, if he is available.[13] Ends.

---

[13] Voir les documents 659 et la pièce jointe I du document 662.
See Documents 659 and 662, enclosure I.

68. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1139 Washington, May 8, 1953

SECRET. IMMEDIATE.

KOREA — ARMISTICE NEGOTIATIONS — STATE DEPARTMENT MEETING OF MAY 8TH

Reference: My immediately preceding teletype.†
Repeat Permdel No. 138.

Hickerson stated that the Communist counter proposal was being seriously and carefully considered by the United States Government, General Clark's headquarters and General Harrison's negotiating team. He said that it may well represent a significant change in the Communist position which, if advanced in good faith, could lead to satisfactory conclusion of the negotiations. He observed that the proposals closely resembled the Indian resolution in certain particulars but contained some important differences. The most important difference he considered to be the absence of limitation to the time during which the disposition of non-repatriable prisoners of war would be in the hands of a political conference. The Indian resolution has contained such limitation, after which the non-repatriables would be referred back to the United Nations. In the view of the United States the situation would then have been that the prisoners should be regarded as refugees under the care of the United Nations pending their resettlement in countries of their choice willing to receive them.

2. Another difference which Hickerson referred to, although without comment, is that the Indian resolution provided for the four countries of the neutral repatriation commission to meet regarding the selection of their own chairman, which, if not settled within a specific time, would be referred to the General Assembly. The Communist proposal merely names India as a fifth member of a repatriation commission.

3. Hickerson said that there were various obscurities and ambiguities in the Communist proposal, which required clarification. The intention was to have General Harrison express interest in the proposal and to probe the Communist intentions by a series of questions, in an endeavour to find out exactly what they had in mind.

4. Hickerson said he did not wish to comment further on the Communist proposal at this time, pending more detailed study of it and such clarifications as might be obtained through questioning the Communists. Summing up he said that it looked like a significant change and the Communists seemed prepared to give up their insistence on their impractical demand that all prisoners should be transported to a neutral country. He referred again to the absence of a time limit in which non-repatriable prisoners would be at the disposition of the political conference. He said

that the United States could not accept something less than the Indian resolution and could not agree to anything which permitted indefinite detention of prisoners.

5. Re your message EX-803 of May 8th you will have seen from the above that Hickerson did not infer repudiation of the Indian resolution position. His remarks about the political conference aspect of the Communist proposals were directed solely to insistence that there should be a time limit.

6. The only inference which Hickerson made to the composition of the repatriation commission was the passing comment that India was designated by the Communists as a fifth country. State Department officials have privately expressed to us and others apprehensions about having Polish and Czechoslovakian guard troops in Korea.

7. It seems that the Communist proposals are still being closely studied and discussed here and that an agreed opinion on them have not been reached by the administration or even perhaps by the State Department. In these circumstances press reports about the United States attitude can only be speculative.

69. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1157[14] Washington, May 11, 1953

SECRET. IMMEDIATE.

KOREA — ARMISTICE NEGOTIATIONS

Reference: WA-1139 of May 8.
Repeat Permdel No. 140.

The State Department, through Alexis Johnson, have outlined to the Australian, British, New Zealand, South African Embassies and ourselves, the United States position with regard to the Communist proposal of May 7th. The United States considers that the Communist proposal could provide a basis for agreement on the POW question subject to clarification and modification in the following respects:

(1) The provision by the Five-Nation Commission of an equal number of forces with like authority is considered impractical and undesirable. Furthermore the UNC could not be expected to accept Polish and Czech troops behind its lines. The United States Government still believes that the designation of a single neutral country as the custodial state would be most practical. It is willing however to accept the Communist proposal of a Five-Nation Commission, if a reasonable agreement can be reached about provision of troops. The Communists could not be ex-

[14] Note marginale:/Marginal note:
This teletype received by US *after* despatch of EX-827 of May 12.

pected to agree to Swedish or Swiss troops only. India is therefore left as the logical country for furnishing forces. In the United States view India should act as the executive agency of the custodial commission, furnishing the forces and operating under the direction of the commission;

(2) There must be definite provision for disposition of the non-repatriable prisoners, if the political conference fails to agree on their cases. It is not reasonable to expect the political conference to reach agreement on this matter more easily than the armistice negotiators. The United States is willing that the disposition of the non-repatriables should be referred to the political conference for a limited period. The United States holds the strong view that it should be incorporated into the armistice agreement that, if the political conference cannot agree on the disposition of the non-repatriables, the custodial commission should be disbanded and the prisoners transferred to civilian status. The United States Government cannot permit the prisoners to be faced only with alternatives of repatriation or indefinite confinement;

(3) The detaining power should be allowed to hand over prisoners to the custodial commission at convenient locations, rather than at their places of "original detention", as in the Communist proposal. (Johnson explained that Korean non-repatriables are in scattered locations. The UNC would wish to turn them over to the custodial commission at one or two convenient places such as Cheju Island);

(4) It should be agreed that the custodial commission should operate on the basis of unanimous decision on substantive issues (such an issue for example would be the decision as to whether any individual prisoner desired repatriation). In the United States view this would safe guard the prisoners and at the same time avoid putting upon India the excessive burden of exercising the deciding vote.

2. Johnson said there were other minor points which the United States would wish to see gained. For the custodial body some such name as "custodial commission" would be preferred to the "neutral nations repatriation commission" because of the composition of the commission and because of the possible inference of commitment in the word "repatriation". As to the time element, the UNC will agree to the Communist proposal that the commission should take custody of prisoners within 60 days after signature of an armistice. The UNC will suggest a further 60 days as the period in which there may be access to prisoners not wishing immediate repatriation by the representatives of the side from which they originated. The UNC will suggest a period of 30 days during which disposition of non-repatriables might be before the political conference. (In all a maximum period of 150 days would be stipulated).

3. Johnson said that in effect a substantial part of the Communist proposal of May 7th was acceptable to the United States Government, which would seek to make in it only the changes considered necessary. He expressed the opinion that the United States was going a long way to meet the Communist proposal. In order to expedite and facilitate the negotiations General Harrison will present to the Communists a counter proposal adhering to the general outline of the Communist proposal but elaborating it in considerable detail and including the UNC's *desiderata*, so that delegations may come to grips with specific questions and will not be haggling

over general principles. Harrison might deliver the counter proposal at the meeting at Panmunjom on May 12th.

4. We asked Johnson whether the United States had yet informed India about their counter proposal. He replied in the negative. He hoped that Commonwealth Governments which had been told about United States plans would not discuss them with the Indians, as the United States Government wished to do this at its own time of choosing. Johnson said that the Indian Government had officially urged upon the United States Government acceptance of the Communist proposal of May the 7th. It could be assumed therefore that India would be ready to serve as a member of the custodial commission and to provide some troops. The UNC counter proposal would enlarge the role of India somewhat but Johnson thought the burden would not be excessive, since the United States would be willing to provide logistic support on the spot for Indian troops.

5. We have just learned from State Department officials that the UNC counter proposal, as outlined above, may not be submitted in its entirety in the first instance. It may be considered desirable to adopt preliminary bargaining positions on one of the points. It is probable that no mention will be made initially of referring the non-repatriables to the political conference. This will be kept in reserve. The first suggestion will be that prisoners remaining after 60 days in the hands of the custodial commission should be transferred to civilian status.

70. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-827 Ottawa, May 12, 1953

SECRET. IMMEDIATE.

KOREAN ARMISTICE NEGOTIATIONS

Following from the Minister.

I believe the 8-point proposal advanced by the Communist side goes a long way to meet the objections to their previous proposals which have been put forward by the United Nations Command. Indeed, I think there is only one difference of substance between the new Communist proposal and the Indian resolution adopted by the Assembly last December. Both proposals provide for a reference of the problem of the prisoners who do not wish to return home to the political conference to be called under paragraph 60 of the Draft Armistice Agreement. However, the Communist proposal does not provide for further reference of this problem back to the United Nations, if the political conference is unable to settle it.

2. This, in my judgment, is the only significant difference between the two proposals. I am not too disturbed by the idea of Czechoslovakia and Poland providing

guard troops in Korea, although the detailed arrangements for this will need working out. I understand the United States is prepared to accept these two countries for membership in the proposed Neutral Nations Repatriation Commission. Indeed, it would be difficult to adopt any other position as both countries have already been agreed to as members of similar bodies, under the terms of both the Draft Armistice Agreement and the General Assembly's resolution of December 1952.

3. The Communists have made an important concession in no longer insisting that the prisoners who do not wish to be returned home should be physically removed from Korea to a "neutral state".

4. In view of the above, I think the way now is open for the conclusion of an armistice, if the United States administration is seriously determined to obtain one, as I believe it is. Moreover, I am not too surprised that the counter-proposal of the Communist Chinese and North Koreans does not include any mention of reference back to the United Nations, for the simple reason that neither Government is a member of that body. In my view, it may be necessary for the United Nations Command to be prepared to consider a compromise on this point in the interest of obtaining an early armistice.

5. I also believe that the main thing at present is not so much to concern ourselves with future points of method and procedure, — though the Communists as we know can exploit these — as to recognize that there is already adequate agreement by both sides on the principles which should govern a solution of the prisoners-of-war question, to provide a reasonable basis for the armistice. The problem of disposing of the remaining prisoners-of-war will remain a problem, no matter what methods and procedures are devised. However, once the exchange of prisoners has actually started, the problem of the "hard-core" prisoners should become more manageable and less acute than it is in the prevailing atmosphere of the present discussions. It should also be noted that there is now agreement by both sides on:

a) the setting up of a Repatriation Commission composed of neutral states; and

b) as a second resort, the reference of this problem to the political conference to be called following the armistice. This area of agreement is, in my judgment, sufficient for our immediate purposes of obtaining an armistice.

6. Please convey these views to the Acting Secretary of State.

71. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1169[15] Washington, May 12, 1953

SECRET

ARMISTICE NEGOTIATIONS IN KOREA

Reference: My WA-1157 of May 11.
Repeat Permdel No. 144.

1. The fourth point which the United States Government put forward for clarification of the Communist proposals (that the Custodial Commission should operate by unanimous decision on substantive issues) came as a surprise to me. We have expressed concern over this at the working level in the State Department, and we learned that it was included on the personal insistence of Mr. Dulles. I have discussed it with Sir Roger Makins. He has heard that certain congressional leaders were consulted on the clarifications and modifications in the Communist proposal which should be sought, and that they were exercised that the fate of "unrepatriable" prisoners might be decided by the representatives of India, Czechoslovakia, and Poland against the votes of the Swiss and Swedish members.

2. The Communists might of course announce that they have under their control United Nations prisoners who do not wish to return to their own countries. The requirement of unanimity could then prove embarrassing. The State Department say that they would not expect the number of United Nations prisoners who would be persuaded to come before the commission expressing a desire not to return to be very great. They take the view that if such cases occur they should be regarded as a calculated risk of war. They are apparently willing to accept such a possibility in order to maintain their stand against the possible forced repatriation of large numbers of Communist prisoners unwilling to return.

---

[15] Note marginale:/Marginal note:
N.B. This teletype, which was not given any priority by its originator, apparently crossed with EX-838 of May 12 from the Minister to our Embassy in Washington.

72. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-838 Ottawa, May 12, 1953

SECRET. IMMEDIATE.

KOREAN ARMISTICE NEGOTIATIONS

Reference: My EX-827 of May 12 and your WA-1157.
Repeat Permdel (Important) No. 226.
Following from the Minister:

You will have seen my opinion in paragraph 4 of teletype EX-827 that the way is now open for the conclusion of an armistice, if the United States administration is seriously determined to obtain one, as I believe it is. This opinion was based on a study of the 8-point Communist proposal and was made without reference to your WA-1157, which I have just received.

2. In view of this I was very disturbed by the counter-proposal outlined in WA-1157, particularly because several elements of it appeared to inject into the armistice discussions some ideas which had not been the subject of previous consideration. In particular, I was taken aback by the suggestion in paragraph 1 (4) that the proposed "Custodial Commission" should "operate on the basis of unanimous decision on substantive issues". This contrasts sharply with paragraph 13 of the General Assembly's resolution of December 1952 which stated: "In the event of disagreement in the Commission, majority decision shall prevail."

3. In EX-827 I discussed the problems outlined in paragraphs 1 (1) and 1 (2) of WA-1157 and have little to add on these two points. I would like to repeat, however, that I believe that once the exchange of prisoners has actually started the problem of the "hard-core" prisoners should become more manageable and less acute than it is in the prevailing atmosphere of the present discussions.

4. I had indeed hoped that the United Nations Command would go some way towards accepting a compromise on the basis of the Communist proposal, and expressed this hope in paragraph 4 of EX-827. However, on the basis of the counter-proposal outlined in WA-1157, I cannot agree with Johnson's view that the "United States was going a long way to meet the Communist proposal."

5. These comments appear to be too late to have any influence on the instructions which have been sent to General Harrison. However, in view of the importance of the political aspects of the present armistice negotiations, I think it is regrettable that Ambassadors of the countries primarily concerned were not called in for consultation before such instructions were sent forward to the United Nations Command. Apparently you were merely informed of them just prior to their despatch and no real opportunity of consulting governments was consequently given.

6. I would be glad if you would convey these views to the State Department.

73. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1183 Washington, May 13, 1953

SECRET. IMMEDIATE.

KOREA — ARMISTICE NEGOTIATIONS

Repeat Permdel No. 146.

This afternoon I conveyed to Freeman Matthews and Alexis Johnson at the State Department the views contained in your messages EX-827 and 838 of May 12th. I added that you thought there should be as little departure as possible from the terms of the Indian resolution; that you were concerned lest too many difficulties might be made through trying to settle all questions of detail; and that you thought some of these might be resolved more easily after conclusion of an armistice and exchange of some of the prisoners. I emphasized particularly our surprise and apprehensions about the departure from the Indian resolution in the proposal that the Custodial Commission should operate on the basis of unanimous decision on substantive issues. I observed that this seemed in some ways to be a retrocession from the position previously taken by the United Nations.

2. Matthews and Johnson repeated that it would be undesirable to put India on the spot by having to cast the decisive vote in what could be expected to be the majority of cases. (The UNC believed that most of the prisoners would refuse to return in which case it could be expected that Poland and Czechoslovakia on the one side and Switzerland and Sweden on the other would deliver contrary opinions). Under the UNC proposal India would already be burdened by providing most if not all of the guard troops and operating as the Commission's executive agent. I suggested that India might not be averse to carrying the burden, since it would in effect be fulfilling the role of umpire such as was envisaged in the Indian resolution.

3. Johnson replied that George Allen, United States Ambassador in New Delhi, had had a general discussion last night with Prime Minister Nehru about the UNC counter proposal. Details were not discussed but Allen has reported to the State Department his general impression that India, if invited, would be willing to serve on the Custodial Commission under the terms outlined by the proposal. Nehru did not say anything about the provision of Indian troops but apparently he expressed agreement that it would be impracticable for all five of the custodial countries to despatch equal numbers of troops.

4. I asked whether the proposal regarding unanimity of vote was one of those made for bargaining purposes only. This was denied and no attempt was made to conceal the fact that it represented a firm decision on the part of the United States. If Allen gained the correct impression from his interview with Nehru, it may be that

the Indians themselves would prefer not to be in the position of constantly casting the deciding vote about prisoners who did not wish to be repatriated.

5. As to the functioning of the Commission Matthews and Johnson observed that the identity of the chief Indian representative would be very important. They assumed it would be a military officer. I gather they have already expressed the hope in informal conversations with the British Embassy that the Indians would not send a Menon in military uniform. I think that in due course they may ask the British Government to be of assistance in this matter.

6. With regard to the presence of Polish and Czech troops behind the UNC lines, Matthews said that this would not only be objectionable to the United States military authorities but would be bitterly opposed by Syngman Rhee and the ROK Government. He pointed out that on all questions to do with the armistice the attitude of the ROK Government was something which had to be dealt with very carefully. Rhee and his Government caused many difficulties but they could not be ignored. Johnson referred again to the impracticability of having the five custodial powers send equal forces. I suggested that perhaps the Indians could be asked to provide the bulk and the others token forces.

7. Matthews and Johnson said that General Harrison had today submitted the UNC counter proposal, including the suggestion for unanimous vote by the Custodial Commission on substantive matter. They said that he made a careful, constructive and reasonable presentation of which they thought we would approve. The full text of Harrison's long statement will soon be made available to us. We hope to teletype it to you to-night.

8. Matthews said he wished to impress upon me that the determination of the United States Government to make earnest efforts to conclude a workable armistice has in no way diminished. He expressed the hope that there was no thought in Canada that any element here which might be opposed to an armistice could be exercising significant influence. He said that the majority of Congressional leaders desired an armistice and that he knew no one of responsibility in the administration who was not convinced of the necessity for obtaining an armistice if possible.

74. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-850 Ottawa, May 14, 1953

SECRET. IMMEDIATE.

KOREAN ARMISTICE NEGOTIATIONS

Repeat Permdel No. 234.

I have just read your telegram 1183. I appreciate the explanations given by Matthews and Johnson on the recent counter-proposals but am not reassured by them. If the Communists accept these counter-proposals, all well and good. If they do not, and if the armistice negotiations should consequentially break down, there will be very widespread criticism in this country that the reason for this breakdown was the abandonment by the USA of principles which they had accepted at the UN last December — e.g. majority vote, North Korean and Chinese prisoners to be treated the same and the submission of the problem of unrepatriables to a Political Conference (rejection of these last two principles is reported in the Press this morning, but has not been confirmed, I gather, from Washington). In case of a breakdown for the reasons stated above, there will be no disposition on the part of the government to defend the recent US Armistice initiative which introduced without consultation, such important changes. Incidentally, the New York Times referred yesterday to these counter-proposals as having been "cleared with the allies", which, of course, is not the case. If controversy should develop, we will have to take our position on the United Nations resolution which we accepted in December, and still accept as the basis for an Armistice.

2. I hope, of course, that things will work out satisfactorily on the basis of these counter-proposals, but if they do not we should not be expected to take any responsibility for the break-down which might result. That responsibility will lie between the Communists and the United States.

3. This matter was discussed in Cabinet yesterday and the Prime Minister and my other colleagues were critical of recent developments in the counter-proposals. Ends.

75. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1211 Washington, May 15, 1953

SECRET. IMMEDIATE.

KOREA — ARMISTICE NEGOTIATIONS

We had a short private interview this afternoon with Alexis Johnson (prior to the regular State Department meeting on Korea) during which we repeated the apprehensions expressed in your recent messages regarding the UNC counter proposal.

2. Johnson said there was some flexibility to the UNC position. He confirmed what was reported in WA-1157 of May 11th that the omission of reference of the non-repatriables to a political conference was bargaining position. General Clark has the authority, when he considers the time suitable, to propose reference of these cases to a political conference for a limited period (i.e., 30 days).

3. As to the suggestion for immediate release after an armistice of North Korean prisoners, Johnson indicated that this point had been included at the strong insistence of Syngman Rhee. We have learned from State Department officials that Harrison had been authorized to include this proposal at the last minute, as a result of an urgent recommendation from General Clark, who reported that Rhee was vehemently opposed to handing fellow nationals over to the custody of foreign troops. Clark reported the distinct possibility of violent resistance by North Koreans to being handed over to commission forces. Johnson indicated that the decision on this matter might not be final, by saying he thought that if it came to a breaking point on this question "Rhee would probably have to be handled." He doubted however that a breaking point would be reached over this question and even expressed the opinion that the Communists might finally accept it.

4. Johnson repeated that the United States attitude on the unanimous vote was firm and he admitted it had been taken largely because of the strong insistence of Congressional leaders. However when we asked whether we should report this to be an "irrevocable" decision, Johnson said it would be better to describe it as a "firm" one.

5. Johnson said that Harrison's general aim now would be to try to draw the Communists into a discussion of the UNC counter proposals in an atmosphere of negotiation. So far that had not been possible. General Clark has recommended that Harrison suggest a recess of two days or so, in order that the proposal may be more fully considered. The thought is that this might allow the Communists time to get further instructions without having the atmosphere acerbated by recriminations. It is probable that Clark will be authorized to have Harrison propose this. Johnson assured us that there would be no question of rupture of the negotiations.

6. Johnson made no comment on Nehru's reported remarks in Parliament today about the UNC and the Communist armistice proposals, other than to express surprise because Nehru had told the United States Ambassador in New Delhi that he thought the UNC proposal practicable.

76. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-874[16] Ottawa, May 18, 1953

SECRET. IMPORTANT.

KOREAN ARMISTICE NEGOTIATIONS

Reference: Your WA-1195 of May 14† and WA 1200† of May 15, and our EX-861†.

Repeat Permdel No. 243; London No. 870; New Delhi No. 110.

1. In view of the unfortunate publicity about our representations which has appeared in the press this morning we have given further consideration to the text of the memorandum sent to you in EX-861. The text of this revision is contained below.

2. You should present it in written form to the State Department and in doing so express orally our opinion that it is regrettable that at this stage these confidential discussions should have been the subject of speculation in the press. You should give as the reason for the written statement that in view of the publicity and particularly in view of the misleading headlines in some of our newspapers, we feel it desirable to set out in written form the substance of the observations made orally on this matter so as to remove any chance of future misunderstanding.

3. Also, in presenting the memorandum, you should express orally our hope that, as a Government representing a country with forces in Korea, opportunities will in future be given by the United States authorities for adequate advance consultation on matters of this nature, especially when important changes to previously agreed principles are involved. The views of the State Department on these points would be greatly appreciated.

4. In putting forward our views you will naturally emphasize, as we have always done previously, our appreciation of the fact that the United States is bearing such a large share of the burden and responsibility for United Nations action in Korea, as well as our anxiety not unnecessarily to add to that responsibility or that burden. Text of written memorandum follows.

[16] Note marginale:/Marginal note:

This telegram was the subject of considerable discussion and revision on May 16. (It was seen by P.M. [Prime Minister], Mr. Pickersgill and Mr. Wrong before despatch).

"CANADIAN VIEWS ON RECENT DEVELOPMENTS IN THE KOREAN ARMISTICE NEGOTIATIONS"

The Canadian Government had felt that the 8-Point proposal advanced by the Communist side on May 7 went a long way to meet the objections to their previous proposals which had been put forward by the United Nations Command. In the Canadian view, the 8-Point Communist proposal contained only one significant difference from the resolution adopted by the United Nations' General Assembly on December 3, 1952 — a resolution supported both by the United States and by Canada. We believed that, in view of this 8-Point Communist proposal, the way was open for the conclusion of an armistice, in view of the wide area of agreement revealed between the two sides, providing — and we recognize the importance of this proviso — there is a genuine desire for an armistice on the Communist side. It was also fully recognized that certain portions of the Communist 8-Point proposal were obscure and required considerable clarifications.

We were, therefore, disturbed by the rejection of this 8-Point Communist proposal by the United Nations Command, and by the introduction of the United Nations Command's counter-proposal, a counter-proposal which, in our judgment, contained a number of features which had not been the subject of previous agreement among the allies of the United States, and which ran counter to the United Nations resolution. We thought that it was regrettable that this counter-proposal, particularly in view of these new features, was introduced without sufficient consultation between the United States and the other countries, such as Canada, with forces in Korea.

We believe that there are at least three of these "new features" in the UNC's counter-proposal. For example, this counter-proposal included the suggestion that the proposed Custodial Commission should "operate on the basis of unanimity, except with respect to procedural matters". This contrasts sharply with paragraph 13 of the General Assembly's resolution of December 3, 1952, which said: "In the event of disagreement in the Commission, majority decision shall prevail". We recall that at that time and subsequently the United States delegation seemed to attach considerable importance to this "majority" principle.

Another new element in the United Nations Command's counter-proposal was the suggestion that the North Korean and Chinese prisoners be treated differently for purposes of repatriation. A third new element in this counter-proposal was the rejection of the idea that the political conference, to be called following an armistice in Korea, should consider the question of the disposition of the prisoners who did not wish to return home, in the event that the Custodial Commission was unable to settle this problem. Although paragraph 17 of the General Assembly resolution provided for ultimate reference of this question to the United Nations, it also provided for its consideration by the political conference. Nevertheless, in his statement of May 13 introducing the UNC's counter-proposal, General Harrison stated: "Point 6 of your 8-Point proposal provides for turning over to a political conference the question of the disposition of prisoners who remain in the care of the Custodial organization, after a prescribed period. This provision is inconsistent with the principle upon which we resumed these talks".

The Canadian Government feels that a break-down over the issues just noted would be difficult to justify in view of the United Nations resolution on the subject which received such overwhelming endorsation at the Assembly last December". Written memorandum ends. Text ends.

77. DEA/50069-A-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELEGRAM WA-1224 Washington, May 18, 1953

SECRET. IMPORTANT.

KOREAN ARMISTICE NEGOTIATIONS

Reference: Your EX-874 of May 18.
Repeat Permdel No. 153.

The memorandum given in your message EX-874 of May 18 was left with Hickerson at the State Department at noon today. At the same time we expressed orally the points made in the first four paragraphs of your message. Hickerson agreed with us in deploring the unfortunate publicity which had occurred. He said that such publicity clearly increased the difficulty of the United States negotiators, particularly at a time when they were trying to get some "practical improvements" on the Indian resolution. He joined with us in the hope that future exchanges between the Canadian and the United States governments on the Korean truce negotiations could be carried on without any unauthorized publicity.

2. Hickerson said that the Canadian views about adequate consultation would be sincerely borne in mind. Every effort had been and would continue to be made to meet the wishes in this regard of the chief governments associated with the United States in the Korean war. The matter of consultation with governments was, however, a constant and very difficult problem. Hickerson recalled that for security reasons full policy discussions were impossible in the regular sixteen-power State Department meetings on Korea, which included representatives of the Republic of Korea and others whose discretion could not be relied upon. He said that the State Department made every effort to overcome this difficulty by private "inner circle" consultations with the "old Commonwealth" governments and the French. He added that even this did not altogether remove the difficulty because of the slackness of French security. On the other hand, if the French were left out, they made vigorous protests subsequently, particularly if, as had on occasion occurred, a Minister for one or other of the governments taken into confidence made a public statement to the effect that his government had been consulted. Hickerson observed that it was clearly undesirable for the Communists to hear of UNC armistice plans and tactics through any other source than Generals Clark and Harrison.

3. Hickerson did not comment on the substantive parts of the Canadian memorandum, other than to repeat that the suggestion for the immediate release, after an armistice, of North Korean prisoners had been included belatedly in the UNC's counter-proposal on the urgent recommendation of General Clark for the reasons given in WA-1211 of May 15, paragraph 3.

4. The position to be taken by the UNC at Panmunjom after the present recess is now being carefully considered by the Government, in consultation with Generals Clark and Harrison. Hickerson said that a working draft paper on the instructions to be sent to General Clark regarding future moves at Panmunjom had been prepared. He could not reveal the nature of this paper at the present time because it had not yet been approved on by the President. He thought, however, it would meet with our approval. He said that, in order to give time for consideration and consultation about the UNC tactics, it was probable that General Clark would be authorized to have the recess in the negotiations extended for a day or so.

78. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1230 Washington, May 19, 1953

TOP SECRET. MOST IMMEDIATE.

KOREAN ARMISTICE NEGOTIATIONS

Acting Secretary of State Bedell Smith this morning called in Heads or Acting Heads of "old Commonwealth" Embassies to inform them about the "final" UNC position which the United States Government considered should be presented to the Communists at the next meeting at Panmunjom scheduled for May 25th. Presentation would avoid ultimatum aspects and would be couched as much as possible in terms of acceptance of Communist positions on points at issue. The UNC would propose secret sessions of the armistice negotiators at Panmunjom in order to make their proposal. It is possible that the United States Ambassador in Moscow would be instructed to acquaint the Soviet Government with the terms of the new counter-proposal; stress the importance which the United States attached to it, and even to suggest that it would be acceptable to the United States if its terms were to be offered by the Communist side.

2. The main points of the new UNC counter-proposal as drafted are:

(1) Agreeing that Korean non-repatriables will be turned over to Custodial Commission in the same manner as Chinese;

(2) Proposing that Custodial Commission operate on the basis of majority of four on substantive questions and simple majority on procedural matters;

(3) Maintenance of present position on use of Indian armed forces and operating personnel (so that Czech and Polish troops would not be accepted behind UNC lines);

(4) Maintaining all elements in present United Nations position on terms of reference for operation of the Custodial Commission (i.e. terms of reference regarding procedures for interviewing prisoners, etc.);

(5) Agreeing to submission to political conference of disposition of non-repatriables, with provision that failing determination of their disposition within a total of 120 days of being handed over to POW Commission (ninety days in custody of Commission and thirty days consideration of question by political conference) they would be released. The UNC might indicate a willingness to accept as an alternative to this the formula contained in General Assembly resolution of December 3rd providing for prompt reference to the United Nations of cases of non-repatriable prisoners whose disposition could not be agreed upon by political conference.

3. The Acting Secretary of State said that if the governments consulted had strong objections to any part of the planned UNC counter-proposal, they should make these objections known as a matter of urgency, since the United States Government considered that a proposal along these lines should be made at the meeting at Panmunjom on May 25th Korean time. In any case he would welcome the comments of governments on this proposal, which he described as the ultimate lengths to which the United States Government considered it could go in the negotiations. Because of the time element involved he hoped it might be possible for governments to make comments by Thursday.

4. As a matter of urgency we have sent this short outline of this morning's meeting. My immediately following telegram contains details and a fuller exposition.†

79. DEA/50069-A-40

Le secrétaire d'État par intérim aux Affaires extérieures au chargé d'affaires aux États-Unis

Acting Secretary of State for External Affairs to Chargé d'Affaires in United States

TELEGRAM EX-897 Ottawa, May 21, 1953

TOP SECRET. MOST IMMEDIATE.

KOREAN ARMISTICE NEGOTIATIONS

Reference: Your teletypes WA-1230 and WA-1231† of May 19, 1953.
Repeat London (Immediate) No. 902; Permdel No. 244.

Following from the Acting Under-Secretary, Begins: The following are our views on the proposals outlined in your two teletypes, and these comments have been approved by the Minister. You should present them orally to the State Department. If time permits, prior to the deadline mentioned in paragraph 3 of WA-1230, you should consult your United Kingdom, French and Australian colleagues to find out what they propose to do in this matter, before submitting these views orally to the State Department.

2. We consider that the proposal outlined in WA-1230 and WA-1231 represents a distinct improvement over the counter-proposal advanced by the United Nations Command on May 13. However, it is our impression that most of the concessions made by the United States, as outlined in these two messages, amount to concessions from the position adopted in the United Nations Command counter-proposals. In other words, they cannot be construed as concessions to the Communist reservations about various portions of the General Assembly resolution of December 3, 1952. In general, we consider that these new counter-proposals do provide a satisfactory basis for further negotiations, but we cannot, at this stage, accept being pinned down to agreement to them as a "final position" or to support any moves to break off the negotiations if these proposals are not accepted.

3. Although we are somewhat disturbed by the reference to this being the "final position" of the United Nations Command, we are glad to note that, in presenting this proposal, the United Nations Command would "avoid ultimatum aspects", and that the proposal would be "couched as much as possible in terms of acceptance of Communist positions on the points at issue". We also favour the idea of genuinely secret (repeat secret) sessions at Panmunjom, as suggested in WA-1230.

4. We have very few comments on paragraph 2(1), 2(3) and 2(4) of WA-1230. We agree with paragraph 2(1). Regarding 2(3), we consider that this is primarily a matter between the United States and India, although doubtless the Czechs and the Poles will have to have some military staffs. We have no comments on 2(4).

5. Regarding paragraph 2(2), we still favour having the Custodial Commission operate on the basis of simple majority. Accordingly, we are not happy about the suggestion that the Commission operate on the basis of "a majority of four". We

also think that a more important question than the voting procedure in the Commission will be the personality and the character of the chief Indian representative. We note from paragraph 3 of WA-1231, that this suggested voting procedure was inserted by the United States as a "straight-out matter of internal politics". Perhaps some of the fears expressed in the Congress would be dissipated if an outstanding Indian figure were appointed to the Commission.

6. In general, we consider that we should continue to stand by the resolution adopted by the Assembly on December 3, 1952. In view of this, we cannot agree to the proposal for automatic release of the prisoners after a certain time, as suggested in the first sentence of paragraph 2(5). We do agree, of course, that the political conference should have a time limit, and this is already provided for in the Assembly's resolution. If the political conference is unable to settle the question, we would prefer that the matter be referred back to the United Nations promptly, as provided for in the Assembly's resolution. So that the Communists will have no excuse for opposing reference of the question back to the United Nations, on the grounds that neither the Peking Government nor North Korea are Members, we think provision should be made to have these states participate in any discussions in the United Nations on this subject, following the political conference. Ends.

80. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1261 Washington, May 21, 1953

TOP SECRET. MOST IMMEDIATE.

KOREAN ARMISTICE NEGOTIATIONS

Reference: Your teletype EX-897 of May 21st.

Following for the Acting Under-Secretary.

The views in your message were presented orally to Messrs. Hickerson and Alexis Johnson this evening. The general position that the latest UNC counter-proposals provide a satisfactory basis for further negotiations, but cannot at this stage be accepted by us as a final position or one on which negotiations could be broken off was given at dictation speed and recorded by a member of Hickerson's staff.

2. Hickerson and Johnson were frank to admit that while the UNC would publicly avoid presenting the revised proposals in the form of an ultimatum, it was the intention to leave the other side with the impression, in the secret sessions at Panmunjom, that the UNC can go no further in making concessions. Hickerson and Johnson argued that the time had come to make it clear to the other side that the UNC could not give way on the principle that the non-repatriable prisoners must not be faced with indefinite detention as the only alternative to forced repatriation.

3. The State Department officials said that the United States had reached the ultimate in concessions without sacrificing this principle. In their view the UNC position now accorded with the General Assembly resolution of December 3rd with the one exception of voting procedure. On this score they repeated that the Administration would not be able to persuade Congressional leaders to accept a simple majority procedure. We emphasized your suggestion that they consider the importance and character of the Indian representative in this connection.

4. As to our point of disagreement on the question of the automatic release of prisoners referred to in paragraph 6 of your message, they argued that there must be some definite understanding regarding the final disposition of non-repatriable prisoners. While noting our objections to the suggestion of immediate release of prisoners after consideration of their cases by the political conference, they pointed out that Bedell Smith had made it clear that the United States Government was prepared to propose the alternative formula of referring these non-repatriables to the General Assembly; but only on the specific prior understanding with Commonwealth Governments who had been consulted, that they would sponsor and support immediate consideration of these cases by the General Assembly through a resolution providing for the prompt release of prisoners, so that they could proceed to any available destination of their choice. Hickerson and Johnson pointed out that our reply did not refer to this understanding which they considered essential before they were prepared to put forward this alternative. They requested, as a matter of urgency, to know whether we were prepared to agree to this. They said that Congressional leaders were being consulted early on the morning of May 22nd and that unless they could indicate that the governments consulted were ready to agree to this form of action in the General Assembly, they were convinced that the Congressional leaders would not be willing to have this alternative included in the UNC proposals to be put forward at Panmunjom.

5. As to the suggestion that if this matter were brought to the General Assembly the representatives of the Peking Government and North Korea should be invited to participate in any discussions in the United Nations, Hickerson and Johnson replied that this provision was not included in the United Nations resolution adopted December 3rd and had been consistently opposed in United Nations decisions; and while we would, of course, be at liberty to raise this proposal in the United Nations, the United States would probably oppose it.

6. As to the position of the other governments consulted, we understand that the Australian and New Zealand Governments received instructions generally approving the proposals outlined by Bedell Smith. The Australians, however, have said that it was premature to talk about breaking off negotiations. While signifying agreement with putting the proposal for unanimous or four to one voting procedure, they did not think this should be made a breaking point. The British Embassy as of this evening has not yet received instructions. The Australian High Commissioner in London, however, has reported to the Australian Embassy here that Prime Minister Churchill's attitude is general approval of the suggested UNC counter-proposals, but that they should not be delivered in the form of an ultimatum. So far as we know, the French have not been consulted by the State Department on these proposals.

7. Can we receive your guidance on the point raised in paragraph 4 as soon as possible?

81. DEA/50069-A-40

Le secrétaire d'État par intérim aux Affaires extérieures au chargé d'affaires aux États-Unis

Acting Secretary of State for External Affairs to Chargé d'Affaires in United States

TELEGRAM EX-905 Ottawa, May 22, 1953

TOP SECRET. MOST IMMEDIATE.

KOREAN ARMISTICE NEGOTIATIONS

Reference: Your WA-1261 of May 21.

Repeat London (Immediate) No. 908; Permdel No. 250.

Following from the Acting Under-Secretary, confirming telephone conversation between Ronning and Ignatieff, Begins: The Minister has authorized us to agree to the proposal outlined in paragraph 4 of your teletype 1261 — namely to agree to co-sponsor and support immediate consideration of the question of the non-repatriable prisoners by the General Assembly (following the political conference), through a resolution calling for the prompt release of the prisoners so that they can proceed to any available destination of their choice. However, the Minister wishes it to be clearly understood by the State Department that our agreement on this is based on the following condition:

2. Our understanding is that, having obtained our agreement on this subject, the United States will put forward the "alternative" mentioned in the second sentence of paragraph 2(5) of WA-1230 — namely the formula contained in paragraph 17 of the Assembly's resolution of December 3, 1952; and that they will drop their insistence upon the first "alternative" contained in the first sentence of paragraph 2(5) of WA-1230 which provides for the automatic release of the prisoners following the political conference. We continue to be opposed to this alternative for the reasons given in EX-897.

3. The Minister believes that our agreement to *co-sponsor* (but not to sponsor *alone*) such a resolution in the Assembly must be considered as a private arrangement and that there should be no publicity in this matter.

4. The Minister continues to believe that the Communists should be given advance assurance that they will be able to participate in discussions on this question when it comes back to the UN Assembly. If this is done, it would remove any valid excuse for the Communists to reject this part of the proposal.

5. It should be made clear that our agreement (with this condition) to paragraph 4 of WA-1261 does not mean that we have altered our general position on the new counter-proposal as a whole. As stated in EX-897, we continue to regard them as a satisfactory basis for further negotiations, but we cannot accept being pinned down

to agreeing to them as a "final position", nor to support any move to break off the negotiations if the proposals are not accepted. In view of this, we would, of course, consider it quite unjustified if the State Department were to give some public indication that Canada had accepted these proposals in their entirety. Ends.

82. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1278 Washington, May 22, 1953

TOP SECRET. IMPORTANT.

KOREAN ARMISTICE NEGOTIATIONS

Reference: EX-905 of May 22, 1953.
Repeat Permdel No. 162; London No. 1.

Immediately following the receipt of the telephone message from Ronning this morning, Ignatieff reached Alexis Johnson by telephone at the State Department and informed him that the Minister had authorized agreement with the United States proposal outlined in paragraph 4 of our message WA-1261 of May 21, namely to agree to co-sponsor and support immediate consideration of the question of the non-repatriable prisoners by the General Assembly (following the political conference), through a resolution calling for the prompt release of the prisoners; on the understanding, however, that the UNC will put forward the alternative mentioned in the second sentence of paragraph 2 (5) of WA-1230 and will drop their insistence upon the first alternative in the same paragraph providing for the automatic release of the prisoners following the political conference.

2. Johnson who was called out of a conference with the Acting Secretary of State, Bedell Smith, preparatory to talks with congressional leaders, asked us to transmit the appreciation of the State Department for the prompt reply.

3. He said that it was his understanding that the UNC would, as a basis of negotiation, put forward *both* alternatives at Panmunjom, and would therefore *not* insist upon the first alternative, i.e., provision for the automatic release of non-repatriables failing determination of their disposition by the political conference.

4. It was also stressed to Alexis Johnson that this agreement to co-sponsor a resolution in the General Assembly regarding the ultimate disposition of the hard core of non-repatriables must be regarded as a private arrangement and that there should be no publicity in this matter. This was agreed.

5. Mention was also made of the point in paragraph 4 of your message, namely that the Minister believes that the Communists should be given advance assurance that they will be able to participate in discussions of the disposition of non-repatriables if it comes to the United Nations Assembly, as it would remove a valid ex-

cuse for the Communists rejecting this part of the proposal. The State Department repeated the position they had expressed in our interview the previous day, as reported in paragraph 5 of our message WA-1261 of May 21, namely that they could not agree to raise this at Panmunjom, that in their view it should await the conclusion of an armistice agreement, but we would be at liberty to put forward this proposal when the General Assembly came to consider the matter, although the United States would probably oppose it.

6. Emphasis was also laid on the fact that the Minister still regards the new United States counter-proposals as a satisfactory basis only for further negotiation, but cannot accept being pinned down to agreeing to them as a final position, nor to support any move to break off negotiations if the proposals are not accepted.

7. On the receipt of your message under reference later in the day, we sought an interview with Johnson in order to reinforce the points made to him by telephone and to avoid the possibility of a misunderstanding. As Johnson was not available we saw Hickerson instead. So that there should be no possibility of misunderstanding, we read to Hickerson slowly the whole text of your message EX-905; we repeated with special emphasis the portion in paragraph 5 restating our general position.

8. Hickerson took careful note of all that we said and gave us the same understanding as Johnson had done, as reported in paragraph 3, 4, and 5 above. He repeated the arguments which he gave us at last night's interview to support the United States view that no further concessions should be made. He went on to say that the meeting with the congressional leaders this morning had been "very rugged" and that they had not been happy about the views expressed by Commonwealth governments on the new counter-proposals.

9. Hickerson made the observation to us that the views of other Commonwealth governments seemed to be in closer agreement with those of the United States, although he admitted that he had not had time to study closely the reply of the United Kingdom Government.

Note: Repeated to London as No. 919 of May 22.

83. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1281 Washington, May 23, 1953

TOP SECRET. MOST IMMEDIATE.

KOREAN ARMISTICE NEGOTIATIONS

Reference: Our teletype WA-1278 of May 22
Repeat Permdel No. 163; London No. 2.

Alexis Johnson called us in this morning to say that General Clark had been instructed that the UNC should be willing to agree to a simple majority voting procedure in the Custodial Commission. It has been made clear to Clark, however, that this willingness is subject to the maintenance of essential elements in the terms of reference of the Commission considered necessary to ensure that force or coercion cannot be employed against prisoners when the Communists have access to them. The kind of administrative safeguards which the UNC would require are set out in the section of the UNC proposals of May 13 dealing with "terms of reference for the POW Custodial Commission" and were referred to by General Bedell Smith at his meeting with Commonwealth representatives on May 19th. (As reported in paragraph 9 of our teletype WA-1231 of May 19th). Johnson said that it would be impractical to discuss the details of these administrative arrangements in Washington and that they would have to be negotiated by Clark with the Communists. He said he hoped that governments would rely upon the good sense of the UNC in these matters.

2. Johnson went on to say that the United States attaches very great importance to these administrative terms of reference for the Custodial Commission. He asserted that they should not be considered to be matters of trivial detail because, unless the Commission operated in a manner providing satisfactory safeguards for the prisoners, the essential principle of no forced repatriation could be overthrown.

3. Johnson said that this was an important matter upon which the United States Government would value the support of the Canadian Government both in private and perhaps in public. He anticipated trouble with the Communists on the question of terms of reference for the Custodial Commission. He said that the Administration had revised its position so as to accept the principle of a simple majority vote in the Custodial Commission with extreme misgivings and in the face of the strong criticism of Congressional leaders. He indicated that the decision had been made by President Eisenhower. The United States Government considered it vital that the Allied Governments should stand firm on insistence that adequate safeguards should be included in the terms of reference for the Commission. The more of these that were agreed upon before hand, the easier would be the Commission's task. Johnson expressed the opinion that, because of the concessions made by the United

States, he would expect the Communists to accept the UNC proposal in general. If it were to be summarily rejected an unexpected and serious situation would of course be created. He reiterated that if the Allied Governments did not show a common and firm front on the question of terms of reference for the Commission, the cardinal principle in the UNC position might be lost.

4. General Clark and United States Ambassador Ellis Briggs will interview Syngman Rhee before the meeting at Panmunjom scheduled for May 25th (Korean time) and will outline and explain to him the UNC proposal. Johnson expressed apprehensions about Rhee's reaction but hoped for the best and said that Briggs and Clark were in close consultation with Washington as to how Rhee should be approached.

5. Johnson hoped that we would recognize the extra-ordinarily difficult problem faced by the United States with regard to Rhee. He agreed that there could be no question of Rhee being permitted to dictate to the United Nations Governments. On the other hand, he thought it only fair and just that Rhee's point of view should be taken into consideration as far as possible. Furthermore, from the realistic point of view, he added, it could not be ignored since the Korean forces exceeded the combined total of all the others. He admitted that Rhee was "troublesome" but pointed out that the "troublesomeness" of Rhee's nature was part of the personality which was able to rally and lead the people of the Republic of Korea into active opposition to Communist aggression. He concluded this part of his observations with the reminder that nevertheless the UNC was going to take a position which would be extremely distasteful to President Rhee.

6. General Clark will suggest to the Communists that the armistice delegations meet in secret on May 25th. General Harrison will at that time present the UNC proposal. If the Communists will not agree to secret sessions, Harrison will present the proposal in open session. Communist refusal of secret sessions is not anticipated. If the UNC explain their reasons for seeking secret sessions, they will do so not by inferring that they wish to bargain but by stressing the importance of what the UNC delegate has to say.

7. Extracts were read to us of General Clark's instructions, which showed that he has been told explicitly that the UNC must avoid any ultimatum aspects in presenting its proposal. Use of such specific terms as "final" and "take it or leave it" have been ruled out. The UNC proposal is to be presented from the standpoint of using the Communist proposal of May 7 as a basis. The term "counter-proposal" will also not be employed, lest it might be regarded as invidious.

8. In conclusion Johnson stressed that the United States Government had gone a long way to meet the views of others. He said he was convinced that it could go no further. He urged the necessity of Allied Governments now presenting a strong common front. He expressed the hope that if the occasion arose the Canadian Government would feel able to say that it had been consulted on the UNC proposal and supported it.

84. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1282 Washington, May 23, 1953

TOP SECRET. IMMEDIATE.

KOREAN ARMISTICE NEGOTIATIONS

Reference: Our WA-1281 of May 23.
Repeat Permdel No. 164; London No. 3.

Since dictating the report on our talk with Alexis Johnson this morning, we had a further conversation with him by telephone, from which we learned that there is no intention to make any public official statement on the position the UNC is to adopt at Panmunjom in advance of the meeting scheduled for May 25, Korean time. Therefore presumably the occasion for other Governments to comment would not arise until after that meeting.

2. We also learn that the State Department is in the process of informing the representatives of all other Governments participating in the Korean war about the UNC proposals.

3. We drew Johnson's attention to press reports emanating from Tokyo today referring to the projected United Nations proposals as a "last chance" etc. Johnson deplored such statements and characterized them as unofficial speculation.

85. DEA/50069-A-40

Le secrétaire d'État par intérim aux Affaires extérieures à l'ambassadeur aux États-Unis

Acting Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-922 Ottawa, May 25, 1953

TOP SECRET. IMMEDIATE.

KOREAN ARMISTICE NEGOTIATIONS

Reference: Your WA-1281 and WA-1282 of May 23.
Repeat London No. 930; Permdel No. 253.

Following from the Acting Under-Secretary, Begins: Please convey to the State Department our appreciation of the distance the United States has come to meet the points advanced in revising the instructions for the United Nations Command. In particular, we are glad to note that the instructions to General Clark have told him explicitly that the United Nations Command must avoid any ultimatum aspects in presenting its proposal; and that such terms as "final" and "take-it-or-leave-it" have been ruled out. We are also happy that the United States has now agreed that the Custodial Commission should operate on the basis of simple majority. We consider that, if the Communists receive these proposals in the spirit in which they are to be presented, there are real grounds for hoping that the negotiations will proceed. In view of this, we believe that we should not at present consider what the next step should be *if* the negotiations ultimately break down.

2. For your own information, we are recommending to the Minister that we should be prepared to state, if necessary, that Canada has been consulted in formulating these proposals, and that we fully support them *as a basis for negotiation.*

3. For your own information also, we have received from Earnscliffe some additional information regarding the terms of reference which the United Nations Command will propose for the Custodial Commission. Apparently, these terms of reference would include the idea that representatives of all five members of the Commission should be present at all interviews with the prisoners; and that the press should have access to all the operations of the Commission. As we have received this information on a confidential basis from the United Kingdom authorities, we do not wish to express specific views on it to the State Department, particularly as it is made clear in paragraph 1 of WA-1281 that the State Department is not anxious to obtain our views on this matter.

4. However, you should express to the State Department our general opinion that we agree with them that the terms of reference of the Commission must contain adequate safeguards to enable the Commission to function in a manner that ensures that force and coercion are not employed against the prisoners when the Communists have access to them. You should also point out, however, that we hope that the terms of reference of the Commission will not be so detailed as to frustrate its work during the comparatively short period available to it; and that we also hope

that publicity by press representatives will not be permitted to hamper the highly difficult work of the Commission. Ends.

86. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1287 Washington, May 25, 1953

TOP SECRET. IMMEDIATE.

KOREA — ARMISTICE NEGOTIATIONS

Reference: WA-1281 of May 23rd.
Repeat Permdel No. 166; London No. 4.

We were permitted to see at Alexis Johnson's office this afternoon a copy of the telegram which has come in from General Harrison concerning the secret meetings of armistice delegations on May 25. The immediate Communist reply to the UNC proposal was discouraging. Nam Il described it as an obvious attempt to effect forcible detention. He promised a comprehensive statement on the UNC proposal after further study.

2. General Harrison, who had delivered the UNC proposal in reasoned and serious language, suggested a recess until June 1st, so that adequate consideration should be given. The Communists replied that they considered three days sufficient time for study but agreed to the UNC suggestion for recess until 11 A.M., June 1st, (Korean time).

3. In view of the Communist attitude the State Department consider it most important that, during the current recess, there should be public evidence of unity among the Allies. Johnson hoped therefore that it would be possible for the Canadian and other governments concerned to make a statement as soon as possible of the type suggested in WA-1281 of May 23rd, para 8. The specific terms of the UNC proposal of course have not been made public but, in view of the publicity which has been given to Allied disagreements about the proposals to be made at Panmunjom, the State Department consider it might have a beneficial effect if governments would make it known that they had been consulted on the UNC proposal and fully supported it. Apparently the Australian Government through Mr. Casey, has already issued such a statement and I understand that the British Government has agreed to do so.

4. We will send a further message giving details of the meeting at Panmunjom on May 25th.

87. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1293 Washington, May 26, 1953

SECRET

KOREA — ARMISTICE NEGOTIATIONS

Repeat Permdel No. 169; London No. 7.

We conveyed the substance of paras 1 and 4 of your message EX-922 this afternoon to Hickerson. He reiterated, with regard to the terms of reference of the Custodial Commission, that Congressional leaders had only agreed to give up the proposal for four to one voting procedure in the commission, and this with extreme reluctance, on the understanding that the "ground rules" for the commission should ensure beyond question that force and coercion should not be used against the prisoners. Hickerson himself did not seem to be quite so pessimistic about the armistice negotiations as Johnson. He thought it incredible that Nam Il could dismiss the UNC proposal without consultation with the Communist Governments.

2. With regard to para. 3 of EX-922 the terms of reference for the Custodial Commission proposed by Harrison were similar to those set out in the section of the UNC proposals of May 13 dealing with "terms of reference for the POW Custodial Commission" (ref. our teletypes WA-1281 of May 23 and WA-1231† of May 19). Pages 6-10 of the record of the armistice meeting of May 13, which were sent to you in teletype WA-1185 of May 13,† contained in detail the UNC's position on the terms of reference for the commission. This included such matters as Section III (Verification) — Para. C: "All verifications and interviews should be conducted in the presence of a representative of each member nation of the Custodial Commission"; and Section VI provided for press coverage of the commission's operations.

3. General Clark was left with some latitude as to how he should present the proposals for terms of reference of the commission. Such changes as he made from the terms of reference stipulated in the UNC proposal of May 13 were towards liberalization, e.g., that the number of verifying representatives should not exceed 3 per 1,000 prisoners-of-war held in custody by the Custodial Commission, (as compared to the 1 per 1,000 in the May 13 proposal).

88. DEA/50069-A-40

Le secrétaire d'État par intérim aux Affaires extérieures à l'ambassadeur aux États-Unis

Acting Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-946 Ottawa, May 28, 1953

SECRET. IMPORTANT.

KOREA

Reference: My EX-943 of May 28.[17]
Repeat London No. 965; Permdel No. 268.

Following from the Acting Under-Secretary, Begins: The Minister would like you to convey to the State Department tomorrow the relevant excerpt from his address in Vancouver yesterday, regarding Canadian support for the new UNC proposals on Korea.[18] This excerpt is contained in the first paragraph of our EX-943.

2. In presenting this statement to the State Department, the Minister also wishes you to say that we assume that there will be an opportunity for adequate consultation among the representatives of the countries concerned after the Communist reply has been submitted at Panmunjom on June 1. We realize, of course, that General Harrison (or General Clark) will immediately transmit this reply to Washington, but our concern is that no decision be taken as to the next step until adequate opportunity for such consultation among the allies has been given. In the absence of such consultation, Canada could not accept responsibility for any instructions which might be sent to General Clark regarding additional military action, in the event that the Communist reply might be considered by the US as a rejection of the UNC'S proposal. The Minister considers that such additional military action involves both political and military considerations which must be discussed in advance among the allies concerned. Ends.

---

[17] Non retrouvé./Not located.

[18] Pour le texte, voir :/For the text, see:
L.B. Pearson, "Far Eastern Issues", Vancouver, B.C., May 27, 1953. Department of External Affairs, *Statements and Speeches*, 53/29.

89. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1319 Washington, May 29, 1953

SECRET. IMPORTANT.

KOREA

Reference: Your EX-946 of May 28th.
Repeat Permdel No. 173.

Following for the Acting Under-Secretary, Begins: You will have seen from my WA-1309† of May 28th that I have transmitted the relevant extract from the Minister's speech to the State Department yesterday afternoon and that I also separately handed them the reference in the same speech to the possible recognition of Communist China. I am, however, seeing Mr. Bedell Smith on an unrelated matter tomorrow morning, and I shall then speak to him on the lines of paragraph 2 of your telegram about the need for further consultation after the Communist reply has been received next Monday. I have talked over the courses that we would wish to see followed on receipt of the reply with Hickerson at lunch today and found him generally sympathetic. I gathered from him that General Harrison is under instructions, on receipt of the reply, to ask for a recess of three days. He hoped that they will be able to give us the reply by lunchtime on Monday. Will you suggest on my behalf to the Minister that it may be important that he should be accessible for consultation on Monday afternoon and also quite probably on Coronation Day? Ends.

90. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1324 Washington, May 30, 1953

TOP SECRET. MOST IMMEDIATE.

KOREA

Reference: My WA-1319 of May 29.

Following for the Acting Under-Secretary, Begins: I saw Bedell Smith this morning. Before I had mentioned Korea he told me that matters were in a bad way because of the extremely acute difficulties with the South Korean Government. Rhee

is completely uncompromising and is insisting that he will remove the 18 South Korean divisions in the line from control by the United Nations Command unless the war is continued. In that event he would either order a suicidal attack by the South Koreans alone or he would withdraw them from the line. If they were to attack by themselves they have enough ammunition for only two days and, in Smith's opinion, would be overwhelmed within six or eight hours. If they were to withdraw there would be no alternative for the United Nations forces except to stage a fighting retreat and attempt evacuation from a beachhead. Smith told me that the South Korean Chief of Staff when in Washington a few days ago had firmly insisted that he would, as a soldier, execute any orders given by his government even though he knew they were suicidal. Smith remarked that whichever course Rhee might take the outcome would be genocide of the Korean people. I suppose that he might be unseated by a coup d'état.

2. They take this situation very seriously here. The strong pressures they have brought to bear on Rhee have been unavailing and they consider he means business. Smith said the issue might come to a head within a matter of hours; another meeting with the President on it will take place today. He believes that the British and Canadian Governments are taking the matter too lightly. Washington has already authorized Clark to undertake some regrouping of United Nations forces to concentrate them at the western end of the line. Smith asked that extreme caution be employed about the military information he had given me but requested me to put the situation to the Canadian Government in the gravest terms.

3. I then brought up the question of consultation on the receipt of the Communist reply to the latest armistice proposals. Smith assured me that there would be adequate time for consultation, adding that the United States authorities would, themselves, wish some time for their own consideration of the answer and of the next steps to be taken. It is quite evident (and confirmed to us from other sources) that the report given in Paragraph 4 of CRO telegram Y-161† was inaccurate. No decision on action in the event of a rejection of the proposals has been taken by the National Security Council although the Council has discussed various courses of action. Smith expects, I think rightly, that the reply will be neither a rejection nor an acceptance of the proposals, but will consist of counter-proposals to which they intend to give careful consideration to see if they can be fitted within the basic principles announced last Tuesday by the President, or if they hold out hope that by further negotiation they might be adjusted to accord with these principles.

4. He agrees that the main difficulty will probably concern the ultimate release of unrepatriable prisoners and gravely doubts whether either of the alternatives in the United Nations proposals will be accepted. I then made him on a personal basis, a suggestion which I discussed yesterday with Hickerson. This is that the final disposition of such prisoners might be decided *by majority vote* in the political conference which, under the armistice terms, would be required to reach a decision within, say, 30 or 60 days from its first meeting. It would be necessary, of course, to ensure that the conference should be so composed as to make it certain that a majority of its members would vote the right way. That ought not to be beyond the bounds of possibility. Smith thought that there was merit in this idea. If there is any real desire on the Communist side to reach an armistice, such an arrangement

should be preferable to them to ultimate reference to the Assembly or to a fixed time limit for release of prisoners. They know pretty clearly the size of the majority in the Assembly which would support release, whether or not they were allowed to put their case there. They would be full members of the political conference and a decision by it would have a larger element of face saving.

5. Smith expressed his gratification about the Minister's statement at Vancouver endorsing the latest armistice proposals.

6. Smith also spoke to me about the difficulties which they are encountering with congressional leaders. He said that last Saturday (May 23) he had presided over a meeting with them which lasted for 3½ hours and was very stormy. This was at the final stage of drawing up the proposals given to the Communists on May 25. He says that Taft's speech reflects only mildly the views which he expressed at this meeting and that others, particularly Knowland and Judd, were more extreme than Taft in their objections. With the difficulties at home and the dangerous complications with Rhee I think that they did not do at all badly in the outcome. Ends.

91. DEA/50069-A-40

Le secrétaire d'État par intérim aux Affaires extérieures
à l'ambassadeur aux États-Unis

Acting Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-976 Ottawa, June 3, 1953

SECRET. IMPORTANT.

KOREAN ARMISTICE NEGOTIATIONS

Reference: Your WA-1324 and 1325† of May 30.
Repeat London No. 1005; Permdel No. 278.

Following from the Acting Under-Secretary, Begins: We are rather attracted to the idea mentioned in paragraph 4 of your WA-1324, to the effect that the final disposition of the non-repatriable prisoners should be decided by majority voting in the political conference. If the matter were referred for ultimate disposition to the political conference in this manner, such a procedure would be thoroughly in accordance with point 6 of the Communist 8-point proposal advanced on May 7, which stated as follows: "If, at the expiration of the time limit of four months, as provided in paragraphs 4 and 5 of this proposal, there are still prisoners-of-war in the custody of the Neutral Nations Repatriation Commission, their disposition shall be submitted for settlement through consultation to the political conference as provided in paragraph 60, article 4 of the Armistice Agreement".

2. In view of this provision in their own proposal, the Communists could not object to the United Nations giving ultimate authority in this matter to the political conference, nor could they, with any validity, argue that they could not accept such a proposal until the composition of the political conference were known. It seems

evident that any such political conference would have a simple majority of members who would "vote the right way", although it is quite possible that such would not be the case if a two-thirds majority vote were required. The Communists might thus reply that they would be prepared to accept such an arrangement, if the conference were to make its decision by a two-thirds majority (as in the Soviet proposal submitted last autumn). However, they have not thus far revived their proposals for a two-thirds majority, and it is a bit late in the day for them to do so.

3. Regarding reference back to the General Assembly, we do not entirely agree with the views expressed in paragraph 6 of your WA-1325. The Assembly's resolution of December 3, 1952, was adopted with 54 states in favour. Of these 54 states, there are doubtless a good many (principally Asian and African countries) who will wish to go even further than the Indian resolution in order to secure an armistice. (There are also, of course, the 5 Members of the Soviet Bloc). If the matter is referred back to the Assembly there will almost certainly be a good many proposals submitted in order to compromise the existing differences between the UNC and the Communists. The Assembly is required to have a two-thirds majority vote on all important questions. In view of this, we do not think that it is by any means certain that, if the matter is referred back to the Assembly, a resolution will be approved which will be unacceptable to the Communists, particularly if the North Koreans and the Chinese Communists are present to give their own arguments before the Assembly. For this reason, we still believe that the question of the participation of China and North Korea in such discussions may well be an important issue in the negotiations. However, if the proposal mentioned by you and referred to in my immediately preceding paragraph is adopted, then, of course, the question of reference back to the Assembly becomes academic.

4. Another possible consideration which might influence the Communists to accept the UNC proposals would be to keep the Custodial Commission in being during the period that the Assembly is in session (*if* the matter is referred back to the Assembly). The Custodial Commission could then supervise the release of the prisoners if the Assembly passed a resolution to this effect. Such an arrangement — i.e. the release of the prisoners through the agency of the Custodial Commission — would deprive the Communists of any valid argument that the release procedure was being effected by elements hostile to the Communist side. Ends.

92. DEA/50069-A-40

Le secrétaire d'État par intérim aux Affaires extérieures à l'ambassadeur aux États-Unis

Acting Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-977 Ottawa, June 3, 1953

TOP SECRET. IMPORTANT.

KOREAN NEGOTIATIONS

Repeat London No. 1006.

Following from the Acting Under-Secretary, Begins: This is to confirm our telephone conversation of the afternoon of Monday, June 1. The Minister was very concerned with the contents of your teletype WA-1324 of May 30 — particularly paragraphs 1 and 2. For your background information, he wishes you to know that if the United States Government permits itself — as we hope and believe will not be the case — to be dictated to by Syngman Rhee in modifying the present armistice proposals, then the Canadian Government will not be able to accept responsibility for such a situation, nor will it be committed to the terms of the new armistice proposal modified in this fashion to suit the South Koreans.

2. We have not so far received any indications that the United States Government intends to make such concessions to the South Koreans. In this connection, we would be interested to know whether President Eisenhower has sent a message to Syngman Rhee during the past few days and, if so, what were the contents of this message and what was the nature of Syngman Rhee's reply. Any information on this subject which you can obtain would be useful to us. Ends.

For Canada House, London, Only

The Minister would be glad to receive, as soon as possible, any views of the United Kingdom Government on the situation described in paragraph 1 above, and in teletype WA-1324 of May 30 from Washington, which was repeated to you. Message ends.

93. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], June 9, 1953

KOREA — RECENT DEVELOPMENTS

8. *The Secretary of State for External Affairs*, referring to discussion at the meeting of May 13th, 1953† said an arrangement concerning prisoners of war had now

been initialled by the negotiators at Panmunjom. This arrangement, in a sense, went further than the earlier United Nations proposal in that it provided that prisoners of war who refused to return to their country of origin would be released after a specific period of time. The arrangement would now have to be incorporated in the armistice agreement which, it was hoped, might be signed by the end of the week, unless the President of the Republic of Korea carried out his threat to continue hostilities despite any truce that might be worked out between the North Koreans and Communist China on the one hand and the United Nations representatives on the other. There was hope, however, that Rhee would not in fact continue hostilities.

Arrangements were already being made by the United States for the reconstruction of South Korea. Such arrangements did not commit Canada to any specific new undertakings.

It was proposed by the United States that, at the time the Korean truce was signed, a statement would be issued to the effect that, in the event of any subsequent aggression in this area, the United Nations would immediately take vigorous counter action and that such action might not necessarily be restricted to the immediate area of conflict.

Following the signing of an armistice, the UN General Assembly would be reconvened and a special Assembly committee might be established on which both Soviet Russia and Communist China would be represented, for the purpose of arriving at some decision with respect to the political future of North and South Korea. It was expected that this committee would meet at some place in Asia, possibly in Ceylon. As Canada presently held the Chairmanship of the UN General Assembly, it was not expected that the UN Political Committee on Korea would include a Canadian representative. Although this lack of representation held certain disadvantages it would perhaps help in speeding up repatriation of Canadian troops now in Korea.

9. *The Minister of National Defence* said it had been suggested that, if and when a Korean Armistice were signed, Canada might be expected to maintain in Korea, for sometime, one battalion, one destroyer and possibly a medical unit. This did not appear to be unreasonable.[19]

With regard to Syngman Rhee's statement that South Korea would continue hostilities notwithstanding any truce that might be arrived at on the basis now contemplated by the United Nations, it should be noted that, from a purely military point of view, the South Koreans could probably defeat the North Koreans alone, but that there was no hope of their carrying on a successful campaign with Communist China on the other side. It should further be borne in mind that, although the 20 South Korean divisions now in existence had been well trained and equipped by the United States Army, US ammunition and supplies would no longer be forthcoming to South Korea if and when an Armistice were signed.

---

[19] Voir le document 54./See Document 54.

10. *The Cabinet* noted the reports by the Minister of National Defence and the Secretary of State for External Affairs on recent developments in Korea.

R.G. ROBERTSON
Acting Secretary to the Cabinet

94. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1087 Ottawa, June 17, 1953

SECRET. IMMEDIATE.

KOREA — POLITICAL CONFERENCE

Repeat London No. 1072; Permdel No. 326.

Following from the Under-Secretary, Begins: We have now had the opportunity of obtaining some preliminary views from the Minister on various points connected with the political conference which will take place following the session of the Assembly, in the event of an armistice.

Composition of the conference

2. The Minister believes that Canada has strong claims for membership in the conference in view of Canada's record as the third largest United Nations contributor to the military operations in Korea. He would like to have this opinion passed on to the State Department. With reference to New York's telegram No. 344,† the Minister's views on Canada's participation in the conference were given with a full knowledge that Australia would also like to be a Member of the conference. However, he does not regard Canada and Australia as being mutually exclusive candidates for membership — both countries have strong claims to participate in the conference in view of their contributions in Korea. (The Minister seems to be of the private opinion that it is unlikely that Canada will, in fact, be invited to the conference, but he believes we should advance our claims to such membership for the reason given above.)

3. We would prefer that the conference be of a "round-table", rather than a "cross-table", nature. In other words, we do not much like the idea of having a group of states, named to negotiate for the UN, sitting across the table from the states negotiating for the Communist side. One reason for our preference for the "round-table" procedure is that it would make it much more easy for the Soviet Union to participate, and we believe that everything possible should be done to ensure the participation of the USSR. One method might be for the Assembly to name *all* the states to participate in the conference *including* Communist China, North Korea, and South Korea, as well as the Soviet Union. There may, however, be procedural difficulties about naming the three (3) former states because they are

not UN Members; but, in any case, we think that the USSR should be placed on the same basis as the other UN Members named to participate. We also think it is essential that India should be a member of the conference, and that it should be given the opportunity of playing a fairly prominent role. India has contributed very considerably to the solution of the prisoners-of-war question. It will undoubtedly be playing an important role as a Member of the Neutral Nations Repatriation Commission. Moreover, India is, of course, the largest and most important non-Communist state in Asia. On the other hand, we do not think that Nationalist China should be invited to the conference —particularly if the conference is limited to Korean matters.

Terms of reference

4. We have not yet developed any definite views as to whether the Assembly should lay down the terms of reference for the conference, or leave this to subsequent negotiation in the conference itself. One way out of this dilemma might be for the Assembly to decide on the main point of principle — namely whether the conference should be limited to Korean questions or whether it should include other Far Eastern matters — and, once this point of principle had been settled, to leave to the conference itself the details of its term of reference and of its agenda. Regarding the question of whether the conference should or should not deal with "non-Korean" matters, Mr. Dulles' statement on June 15, as reported in the New York Times of June 16, seems to cast further doubts on the intentions of the United States Government. Mr. Dulles is reported by the Times to have said that it was "possible" that the political conference might take up the question of Indo-China. If the conference were to take up Indo-China, it seems to us that it would be most difficult to exclude a discussion of such questions as Formosa and Chinese representation in the UN.

Location of the conference

5. We are inclined to prefer having the conference meet in Asia, and our preliminary view is that either New Delhi, Colombo or Rangoon might be a suitable location. If the conference were to be held in Europe we think that Geneva would be the best site. We are opposed to having the conference meet in New York, as suggested by Mr. Muniz (paragraph 1(g) of New York's teletype 300 of June 5†).

Date of the conference

6. The Draft Armistice Agreement provides for holding the conference 90 days after the signature of the Agreement. If the conference were signed on June 20, the conference should thus take place before September 18. Our present opinion, however, is that this period of 90 days should be regarded as a maximum and that the sooner the conference takes place after the session of the General Assembly, the better. Ends.

FOR NEW YORK ONLY — Please pass on these preliminary views to other friendly delegations and to the Secretary-General.

FOR LONDON ONLY — Please pass on these views to the Foreign Office.

95. DEA/50069-A-40

Le représentant permament auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations to Secretary of State for External Affairs

TELEGRAM 351 New York, June 18, 1953

SECRET

KOREA — POLITICAL CONFERENCE

Reference: Your teletype No. 326 of June 17.[20]
Repeat Washington No. 232.

I have conveyed substance of your telegram under reference to Secretary-General, Hoppenot[21] and Jebb. Secretary-General and Hoppenot expressed general agreement with your views. Jebb did not comment but was grateful for information. I tried to get touch with Dayal[22] of India but he was not available. I shall continue to let friendly delegations have your views.

---

[20] Voir le document 94./See Document 94.

[21] Henri Hoppenot, représentant permanent de la France auprès des Nations Unies ; représentant auprès du Conseil du sécurité ; chef (en l'absence du ministre des Affaires étrangères) de la délégation à la septième session régulière de l'Assemblée générale.
Henri Hoppenot, Permanent Representative of France to the United Nations; Representative on the Security Council; Chairman (in absence of Foreign Minister), Delegation to Seventh Regular Session of the General Assembly.

[22] Rajeshwar Dayal, représentant permanent de l'Inde auprès des Nations Unies.
Rajeshwar Dayal, Permanent Representative of India to United Nations.

96. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1518 Washington, June 19, 1953

SECRET

KOREA — POLITICAL CONFERENCE

Reference: Your EX-1087 of June 17.
Repeat Permdel No. 231.

Following for the Under-Secretary, Begins: I discussed today with Freeman Matthews, Deputy Under Secretary of State, the contents of your telegram and left with him a memorandum based on it. He told me that Mr. Dulles has not yet made up his mind on the composition of the political conference which he would favour, and that consideration would, of course, be given to the points raised in paragraphs 2 and 3 of your telegram. With regard to your preference for a "round table" conference, as you know the draft armistice refers to a political conference between the two sides. I suggested to Matthews that your point might be met, at least with regard to the USSR, by including the USSR as one of the members of the United Nations designated to participate without differentiation in the resolution from the designated members which have contributed forces to the United Nations Command, and also that the resolution might request the president of the Assembly or the Secretary General to invite Communist China, the Republic of Korea and the North Korean authorities to send representatives.

2. With regard to the terms of reference we had little discussion. It is clear from our talk, however, that the State Department is very much alive to the difficulties of having the conference consider matters other than those directly relating to Korea. I am reasonably certain that Mr. Dulles will endorse the position adopted on this point by the previous administration.

3. On the question of location, Matthews said that their present thinking was to favour either Colombo or Geneva and that they were against holding the conference in New York.

4. As to the date, Matthews agrees that it would be desirable to convene the conference as quickly as possible, he thinks it would probably take about two months to make the necessary arrangements.

5. Of course the events in Korea of yesterday and today may upset all these arrangements, and are likely at the least to put back the time-table.

6. I told Matthews that the views on the conference which I had put to him were being discussed with London [and] also by our delegation in New York with other friendly delegations and the Secretary General. Ends.

97. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-1101 Ottawa, June 19, 1953

CONFIDENTIAL. IMMEDIATE.

KOREA — BREAKOUT OF PRISONERS OF WAR[23]

Repeat Permdel No. 333; London No. 1079.

The Minister made the following statement on this subject to the Press yesterday, Begins: We are under no obligation to support or participate in any operation brought on by the Government of the Republic of South Korea, and not by a decision of the United Nations. From this it follows that we must condemn the last-minute action ordered by the Government of the Republic of Korea which might prejudice an armistice agreement, which, in its turn, we hoped would be the first step for bringing about peace and unification of that unhappy land. Ends.

The Minister also added for the background information of the press words to the effect that if the help of Canadian troops was requested in rounding up escaped North Korean prisoners of war we should co-operate.

2. A somewhat garbled version of the Minister's remarks has appeared in the press to-day. In reply to their request, we have given the United States Embassy a copy of the text of Mr. Pearson's statement but we have not communicated to them the off-the-record remarks of the Minister regarding the possibility of Canadian co-operation in rounding up prisoners of war.

[23] Le 18 juin, le président Syngman Rhee organisa l'évasion d'environ 25 000 prisonniers de la Corée du Nord non rapatriables des camps de prisonniers de guerre des Nations Unies en Corée du Sud. On June 18 President Syngman Rhee arranged the escape of about 25,000 North Korean non-repatriable prisoners from United Nations prisoner of war camps in South Korea.

98. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

SECRET [Ottawa], June 29, 1953

. . .

2. KOREA

Far Eastern Division: On the night of June 22, the Minister, as President of the General Assembly, sent a letter to President Syngman Rhee of the Republic of Korea, through United Nations channels. This letter was released to the press the following morning both in Ottawa and New York.[24] After expressing shock at the action taken by President Rhee in bringing about the release of non-repatriable North Korean prisoners from the United Nations prisoners-of-war camps in Korea, Mr. Pearson stated: "As President of the General Assembly of the United Nations, I feel it my duty to bring to your attention the gravity of this situation. I hope and trust that you will co-operate with the United Nations Command in its continuing and determined efforts to obtain an early and honourable armistice".

During the week the most important event has perhaps been the visit of Mr. Walter Robertson, the United States Assistant Secretary of State, to Korea for the purpose of trying to bring President Rhee to a more co-operative frame of mind regarding the armistice proposals. Press reports over this week-end have indicated that Mr. Robertson's mission may be having some success, but it is still too early to judge whether the prospects for an armistice have genuinely improved.

An exchange of confidential letters has taken place between Prime Minister Nehru and Mr. Pearson (as President of the General Assembly) regarding the summoning of the General Assembly. Mr. Nehru's letter was sharply critical of President Rhee's action in releasing the North Korean prisoners and emphasized his view that: "There can be no effective armistice on Rhee's terms or if Rhee is not fully controlled by the United Nations Command". Mr. Nehru went on to say: "I venture to suggest to you, in your capacity as President of the UN General Assembly, that you should convene a very early meeting of the Assembly to consider this serious situation which is full of dangerous potentialities". In his reply, Mr. Pearson expressed general agreement with the analysis of the situation given by Mr. Nehru, but also stressed his opinion that the Assembly should not be called until the United States had been given "further time to negotiate with President Rhee in the hope of restoring his co-operation". Mr. Pearson added: "I would not hesitate to initiate action with a view to an immediate meeting of the Assembly if any practical and effective remedial action could be taken by it, but I do not think that this would be the result at the moment". Mr. Pearson also made it clear that he was not considering Mr. Nehru's letter as a formal request for summoning the Assembly.

---

[24] Communiqué de presse du ministère des Affaires extérieures, 23 juin 1953.
Department of External Affairs, Press Release, June 23, 1953.

. . .

99. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

[Ottawa], June 29, 1953

THE UNITED NATIONS

1. VISIT TO OTTAWA OF UN SECRETARY-GENERAL, MR. DAG HAMMARSKJOLD

Minister's Office: Mr. Hammarskjold paid a visit to Ottawa on June 26 to discuss arrangements with Mr. Pearson, in his capacity of President of the General Assembly, for the convening of the General Assembly should an armistice be concluded in Korea. It will be recalled that the Assembly is required to meet under the terms of the Resolution adopted on April 18 last, which reads in part as follows:

"Decides to recess the present session upon completion of the current agenda items and requests the President of the General Assembly to reconvene the present session to resume consideration of the Korean question (a) upon notification by the Unified Command to the Security Council of the signing of an armistice agreement in Korea; or (b) when in the view of a majority of members other developments in Korea require consideration of this question."

Preliminary consideration was also given to the arrangements required and the procedure that might most usefully be followed at any United Nations meeting called to discuss the peace settlement in Korea which is to follow an armistice.

Views were also exchanged as to how and when the Assembly might be reconvened if the present situation regarding an armistice in Korea were prolonged in a way which would appear to the members of the Assembly to require a meeting.

. . .

100. DEA/50069-A-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1226 London, July 3, 1953

SECRET. IMPORTANT.

KOREA — POLITICAL CONFERENCE

Reference: Your telegram No. 1072 of June 17[25] and my telegram No. 1220 of June 30.†

We have now received jointly from Shattock[26] of the Foreign Office and General Bishop[27] of the Commonwealth Relations Office, the United Kingdom views on the questions raised in your telegram under reference.

Composition of conference

2. The United Kingdom provisional views have not changed from those expressed in paragraph (e) of CRO telegram Y.183 of June 18.† The Foreign Office recognizes that Canada has a good claim to be represented on the political conference, but would be loath to suggest Canada as an alternative to Australia. We pointed out that you did not regard the membership of Australia and Canada as being mutually exclusive. Shattock replied that unless at a later date there was some proposal to widen the number of members they would be reluctant to go beyond the seven members originally proposed by the United States. They were also extremely anxious that India should be a member of the conference which would, of course, add an additional country on the United Nations side, but they thought there were special reasons for including India. Shattock wondered, therefore, whether there was any real prospect of having a total of four commonwealth members. He went on to say, however, that the United Kingdom position was still provisional and fluid. If just before the time that the question of representation had to be settled there was a prospect of widening the numbers, the Foreign Office clearly recognized our claim for membership. So far as the ultimate composition of the conference was concerned, however, a good deal depended on the attitude which the USSR would adopt toward the size of the conference. They might wish to widen its numbers, or alternatively to restrict them beyond the United States proposal.

---

[25] Document 94.

[26] John S.H. Shattock, chef de la Direction des Affaires de Chine et de Corée du ministère des Affaires étrangères du Royaume-Uni.
John S.H. Shattock, Head of China and Korea Department, Foreign Office of United Kingdom.

[27] Le major-général William H.A. Bishop, directeur du cabinet du secrétaire d'État aux relations avec le Commonwealth du Royaume-Uni.
Maj-General William H.A. Bishop, Principal Staff Officer to Secretary of State for Commonwealth Relations of United Kingdom.

3. We assume from the foregoing conversation that the Foreign Office is extremely anxious that India be included in the conference and that they would propose to the Americans that membership be widened beyond the original seven members proposed by the United States to include India.

Question of round-table procedure at conference

4. The Foreign Office see a number of difficulties with respect to the notion of a round-table conference. If by this it is meant that a single list of participants would be compiled without particular criteria for membership, they fear that the Russians might demand the addition of some of the satellites, e.g., Poland and Czechoslovakia. Their own idea of criteria would be as follows:

(a) The actual participants in the war in Korea, viz. South Korea, North Korea and China;

(b) A selection of United Nations members who have combatant forces in Korea, viz. the seven members proposed by the United States; and

(c) Those countries which have a special interest. The USSR and India might be included in this category.

5. Although the countries which the United Kingdom consider should be included might make the conference look more round-table than "cross-table", they feel that to proceed on the announced principle of a round-table conference would raise not only the question of adding additional members, but also the problem of voting procedure, which they hope would not arise on a cross-table basis. They think the Russians particularly might haggle over voting procedure and would feel that they were out-numbered in a round-table conference. A period of haggling over voting procedure would in any case be unproductive since the unanimity of China, the Soviet Union, the United States and the United Kingdom would be essential if the conclusions of the conference were to be carried out. Finally, they do not think that it is necessary to produce the idea of a round-table conference in order to persuade the Soviet Union to participate. Indeed, they think it might have the opposite result in making the Soviet Union feel that the Western powers were trying to out-number the Soviet Union and her associates at the conference table.

Position of Nationalist China

6. The Foreign Office agrees that Nationalist China should not, repeat not, be invited to the conference.

Terms of reference

7. The Foreign Office do not think that it would be desirable for the assembly to attempt to provide an agenda and would be against the assembly even establishing the principle that the conference should be limited to current questions or otherwise. They consider that any assembly resolution should not go beyond calling for a political conference which would be summoned to settle the questions arising from the armistice agreement. They think that if the assembly deals with any questions wider than this it will get into a debate on matters of substance. Equally, they would hope that the political conference would not try to spell out an agenda but would proceed at once to the questions arising out of the armistice agreement. They

fear that if an effort is made to establish a wider agenda, the Chinese might well hold up settlement of the Korean items until they were able to see how far they would get in settling other Far Eastern questions of interest to them. If the political conference can start by settling the Korean problems, the Foreign Office then see no difficulty in the conference itself deciding at that point to proceed with other questions which they might agree to discuss.

Location of conference

8. The United Kingdom favours Colombo. Rangoon they regard as being out of the question as accommodation would be unsatisfactory. They see no objection to New Delhi, although they consider that the Americans might jib at New Delhi, especially if they had already agreed to Indian membership in the conference. If the conference is to be held in Europe, they agree that Geneva would be the best place, and think it possible that the Chinese might accept it since they have an accredited representative in Berne.

Date of conference

9. The Foreign Office agrees with your own views.

101. DEA/50069-A-40

Note du cabinet du Secrétaire d'État aux Affaires extérieures pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Office of Secretary of State for External Affairs to Under-Secretary of State for External Affairs

SECRET [Ottawa], July 6, 1953

KOREA — POLITICAL CONFERENCE

When the Minister read the attached telegram, he made a marginal comment which you might wish to see. At the same time he remarked to me that, because of the United States attitude toward Indian participation in the Political conference, we would have to be a little cautious in advocating this.[28]

P.A. B[RIDLE]

[28] Note marginale:/Marginal note:
I fear we are fast approaching a show-down between U.S. and India in which we may be forced to take one side or the other. W[ilgress]

[PIÈCE JOINTE/ENCLOSURE]

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 131 New Delhi, July 4, 1953

SECRET. IMMEDIATE.

KOREA

Reference: My telegram No. 128 of July 3.†

I am reporting by despatch on half hour talk with Prime Minister this morning.

2. My impression is he believes Assembly should meet in about three weeks time. His argument is that in about a week's time either there will be an armistice or it will be clear that negotiations with Rhee have broken down and the Assembly should then be summoned to meet a fortnight hence, that is about July 27th.

3. He is afraid that the United States, in an effort to overcome Rhee's obstinacy, may make commitments to him that would make less likely the success of the Political Conference. He does not object to a United States guarantee of South Korea against aggression and I could not find out what sort of unwise commitment he has in mind.

4. He is surprised that there has been so little discussion yet of the composition and function of the Political Conference. He thinks that this conference should deal only with Korea and not with such subjects as Formosa, Chinese representation in the United Nations and Indo-China. When people have been fighting for a long time they should not try to deal with too many problems at once.

5. He will appoint a military man as Indian representative on Repatriation Commission; a senior political adviser will be attached to him.

6. He was most friendly in manner and moderate in language. I hope that the United States will agree to inform him soon that they want India to be a member of the Political Conference. Would not Nehru feel publicly humiliated if the United States propose Colombia and Thailand and not India?[29]

[29] Note marginale par L.B. Pearson:/Marginal note by L.B. Pearson:
yes.

102. DEA/50069-A-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 140 New Delhi, July 10, 1953

SECRET. IMMEDIATE.

KOREA

1. I have given to the United States Ambassador and the Secretary General of the Department of External Affairs copies of the informal paper of June 19th which was left at the State Department setting forth your preliminary views on the political conference and I have shown the paper to the Acting United Kingdom High Commissioner.[30] In speaking to the United States Ambassador I stressed the arguments for Indian membership in the conference. He made no, repeat no, commitments, but I think that he may suggest to the State Department that they reconsider their present line as reported in telegram No. WA-1630 of July 4th from Washington.†

2. Pillai said that when he was in London the Foreign Office had told him their views on the composition of the conference: they favoured Indian membership.

3. Krishna Menon will probably head the Indian delegation to the resumed meetings of the present Assembly.

4. I hope that the United States can be convinced of the serious effect on this country of continued opposition by them to Indian membership in the conference. If the United States remains intransigent, I suggest that lesser evil would be for the allies of the United States to attempt to secure a majority in the Assembly for Indian membership.

5. Acting United Kingdom High Commissioner tells me that India has for about a year had general knowledge of warning statement and that he and the United States Ambassador are under standing instructions to present it to the Government of India as soon as it is published.

[30] Voir le document 94./See Document 94.

103. DEA/50069-A-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 141 New Delhi, July 10, 1953

SECRET. IMMEDIATE.

KOREA

Reference: My telegram No. 140 July 10th.

1. Pillai asked me to call on him this afternoon. He gave me the text of telegram just received from Indian Ambassador to China conveying a long message from Chou En Lai on the armistice. This telegram has been sent to the Indian Offices in Washington, New York and Ottawa for transmission to Salisbury, Dulles and yourself.†

2. In Pillai's view, many questions put by the Chinese are not susceptible to a yes or no answer but he considers message is as moderate as could reasonably be expected and that it is encouraging that the political conference is referred to as one to solve Korean problems and "thereafter to strive for peaceable solution of Far East problems". Pillai's personal view is that if the Chinese were pressed they would agree to limit the conference to Korean problems.

3. The Prime Minister, in returning to Pillai the informal Canadian papers of 19th June on political conference, wrote "am inclined to agree at least for present that main subjects referred to conference should be Korean questions". The Prime Minister also said he would welcome the selection of New Delhi as the meeting place for the conference.

104. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1233 Ottawa, July 10, 1953

SECRET. IMMEDIATE.

KOREA — SUMMONING OF THE GENERAL ASSEMBLY

Reference: Permdel's Teletype No. 413 of July 10, repeated to you.†
Repeat London No. 1174; Permdel No. 386.

There has been a further exchange of messages between Mr. Nehru and the Minister, in his capacity as President of the General Assembly. Today Saksena[31] presented to the Minister a message from Nehru, the text of which is also given below.

2. The following is text of message from Mr. Nehru to Mr. Pearson.

"In view of latest developments in Korea it appears that while SYNGMAN RHEE continues to be obdurate and proclaims his intentions of obstructing armistice, the Chinese and North Korean Governments may still agree to an armistice. If armistice is signed soon it would have to be considered immediately by the General Assembly in the light of the new situation created by SYNGMAN RHEE. If, on the other hand, armistice cannot be reached the General Assembly must review entire situation and the political and other issues involved.

The situation is very delicate and difficult and has reached critical stage. I think that it will help efforts to promote peace and to prevent any political developments which might come in the way of peace later if General Assembly is summoned. The Washington meeting will also have taken place. In view of these developments I suggest for your consideration that steps should now be taken to convene a meeting of General Assembly to consider new situation which will arise either by signing of armistice or if armistice cannot be reached. I hope that armistice will be agreed to before the General Assembly meets. JAWAHARLAL NEHRU." Text ends.

3. The following is the text of Mr. Pearson's reply to Mr. Nehru:

"Thank you for your latest message regarding the United Nations Assembly and Korea. There is, I think, a possibility of an armistice being agreed to in the next two or three days. If so, I will call the Assembly, immediately after I am informed of its signature, to meet at the earliest possible date. If, however, no agreement is reached over the weekend, I would propose that your message, as an official request for an Assembly meeting, should be circulated to all the members of the United Nations with a view to ascertaining whether the majority desire an immediate meeting. If you agree with this procedure, action on your telegram will be taken Monday or, at the latest, Tuesday of next week.

"If no armistice is signed and a majority agree that the Assembly should meet, I think that 10 days to two weeks will be long enough for delegations to reach New York, though a longer period has been suggested to me by certain governments." Text ends.

FOR WASHINGTON AND LONDON: Please pass on this information to the State Department and Foreign Office respectively, on an informal basis.

FOR NEW YORK . Please pass on this information to the Secretary-General. Message ends.

---

[31] R.R. Saksena, haut-commissaire de l'Inde.
R.R. Saksena, High Commissioner of India.

105. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1250 Ottawa, July 13, 1953

SECRET

Reference: Our EX-1233 of July 10.

Repeat Permdel No. 396; London No. 1188; New Delhi No. 155.

On July 11 Saksena informed Mr. Pearson that he had received the following message from Mr. Nehru in reply to Mr. Pearson's message of July 10:

"Please thank Mr. Pearson for his message. I am agreeable to any procedure which he may consider proper in the circumstances." Ends.

106. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1691 Washington, July 11, 1953

SECRET. IMMEDIATE.

KOREA — ASSEMBLING THE GENERAL ASSEMBLY

Reference: EX-1233 of July 10.

Repeat Permdel No. 275; London (no priority) No. 53.

We told Alexis Johnson this morning about the exchange of messages between Mr. Pearson and Mr. Nehru. Johnson reiterated the United States' strong objection, for the reasons given in WA-1686 of July 10,† to the taking of steps to summon the Assembly at this time. He said that this attitude has been reinforced by the reaching of an accord with Rhee, information about which will probably be given to the Communists at Panmunjom tonight. Johnson thought that if the Communists wished to accept this agreement as an assurance that the armistice will not be opposed by Rhee, an armistice document might be ready for signature in a week's time. He observed that it would be most unfortunate if anything were done now to upset the negotiations when they appear to be reaching their climax. He thought that the Indian Government should be left in no doubt that the United States Government would oppose the summoning of a General Assembly at this time and would use its influence to persuade other delegations to do the same. This might offset the possibility of embarrassing publicity from the Indians about calling the Assembly.

107. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1698 Washington, July 13, 1953

CONFIDENTIAL. IMPORTANT.

KOREA — ARMISTICE NEGOTIATIONS

Repeat Permdel No. 276.

I saw Bedell Smith after talking to you on the telephone this morning and passed on to him your suggestion that it might be useful for an official statement to be issued in Washington, setting the facts straight with regard to the agreement which had been reached with the ROK Government and counter-acting the effect of the published story of Rhee's unfortunate comment on the agreement as reported by Lucas, the Scripps-Howard journalist.

2. Smith said he did not think that a statement could be issued in Washington prior to Robertson's return which is scheduled for Wednesday. He believed that this would complicate the position with Rhee without materially helping the armistice. He said that Rhee was now thinking of issuing an official statement to the effect that, although he does not like the idea of an armistice, he will acquiesce in it at the request of the United States. Smith pointed out that the Lucas version of what Rhee said is only a second-hand report and does not claim to be verbatim. In the meantime Rhee has issued an interim statement which, while saying nothing specific, at least does not contain the objectionable 90-day time limit idea.

3. Smith expects the situation to be clearer when Robertson returns. He said he was naturally annoyed about the reported comments by Rhee. He thought that the Korean President was still attempting to influence friendly United States senators in the hope that the security pact with the United States might be ratified before conclusion of the armistice. This, Smith observed, would of course be impossible.

4. The Under-Secretary expounded at length, and with some irritation, on the United States' opposition to moves for summoning the General Assembly at this critical stage in the armistice negotiations. He said he was not aware that any country other than India wished the Assembly called at this time, and he implied that the main motive behind the Indian move was hostility towards Rhee and his government. He observed that the mutual feelings of dislike between India and the Republic of Korea was another difficult factor in the situation.

5. I said that you yourself saw the wisdom of delay in summoning the Assembly in the present delicate state of affairs, but I added that you were aware that pressure from the Assembly would grow if an armistice were not concluded and large scale fighting were resumed.

6. Smith ventured the opinion that we should know in a week or so whether the Communists want an armistice. If they insisted on Clark giving categorical assurances that he would restrain Rhee, by force if necessary, then there could be no armistice agreement. He said that the United States would have been greatly embarrassed if the Communists had proposed the signing of an armistice before Robertson had concluded his mission. As it was, Rhee had now agreed not to obstruct an armistice. Smith said that he concurred in General Clark's opinion that Rhee would be unlikely to attempt to resume fighting alone, once the armistice had actually been signed.

7. Smith pointed out that it was still necessary to handle Rhee very carefully, because of the military force which he had at his command. He said that it had not proved possible to carry out completely the plan to re-deploy Clark's forces, so that all United Nations troops would be together on the Western front, to be in the best position if everything went wrong in Korea and their security were threatened. The heavy Communist attacks against the ROK divisions had made it necessary to put two United States divisions in the centre to stiffen the line.

108. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1255 Ottawa, July 14, 1953

CONFIDENTIAL. IMMEDIATE.

KOREAN ARMISTICE NEGOTIATIONS

Repeat Permdel (Important) No. 397; Repeat London (Important) No. 1193.

Thank you for your telegram WA-1698, reporting on your talk with Bedell Smith, which clarifies some of the points that were troubling us. The situation, however, from here seems confused and difficult. That difficulty is increased by the fact that an agreement of such vital importance to the armistice as that with Syngman Rhee is kept secret, while he himself makes public statements concerning it of a kind that removes much of its value in so far as persuading the Communists to sign the draft armistice is concerned. I can understand the American difficulty in making any statement to counteract the impression Syngman Rhee is creating, at least until Robertson returns and reports, but surely it is not too much to ask that the full text of the reported agreement should be given to the other governments most concerned.

2. I appreciate the American position regarding the undesirability of an immediate Assembly and, as you know, I am proceeding very carefully and slowly in dealing with Nehru's requests for one, but in such a way as not unnecessarily to antagonize him. In their turn, the Americans must appreciate our difficulties in regard to a situation where Syngman Rhee gives the Communists a good reason for refusing to

sign an armistice and thereby confronts us with the decision either to withdraw from Korea or to continue the war there on his terms. Either decision is, of course, an impossible one. That is an over-simplification of the situation, but it is basically true. In any event, an indefinite prolongation of the present position without an armistice makes an Assembly meeting inevitable, and I should think desirable, but I agree that this is not the time for it.

3. I had hoped to send a message to Nehru, reassuring him of the desire and determination of Washington to control Syngman Rhee and conclude the armistice; and requesting him to do his best to remove impressions in Peking that the Americans are insincere in this matter and "conniving", as Peking puts it, at Rhee's actions. But I certainly can't send any such message with any hope of results on the basis of the Robertson-Rhee communiqué of last Saturday, especially after Rhee's reported comments on it. These must have confirmed Chinese suspicions and added to Indian doubts.

4. I hope, therefore, that we will soon be told the whole story of the agreement with Rhee and shown the report. The desire to save Syngman Rhee's face is understandable, though he doesn't worry much about our "face", but the necessity of removing the uncertainty and anxiety of friendly governments on this matter should be, and I'm sure is, appreciated in Washington.

5. Hammarskjold phoned me again yesterday and is anxious that I should go to New York on Thursday afternoon with a view to meeting Dulles and, I hope, Robertson on Friday. I told him that I could arrange to do this, but I am leaving the matter in his hands. It might conceivably be better to put the meeting off two or three days longer if there is a chance of the armistice being signed early next week, so possibly no final decision will be made until tomorrow.

109. DEA/50069-A-40

Extrait du télégramme de l'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Extract from Telegram from Ambassador in United States to Secretary of State for External Affairs

TELEGRAM WA-1735 Washington, July 16, 1953

CONFIDENTIAL. IMMEDIATE.

KOREA — ARMISTICE NEGOTIATIONS

Repeat Permdel No. 292; Dominion London No. 55.

We have conveyed to Alexis Johnson the views expressed in your message EX-1255 of July 14. Johnson's attitude was sympathetic and he discussed your message in a frank and helpful way.

2. He denied that there was any wish to hide things from us. He said that there was no document of agreement covering the various matters which had been discussed by Robertson and Rhee. There had been a constant interchange of letters

and memoranda supplementing the oral discussions and dealing both with the questions of implementation of the armistice and future United States military and economic assistance to Korea. These exchanges had not been drawn together in a final document of agreement. Indeed Johnson inferred that some of them would be subjects for continuing discussion.

3. However, he said that the UNC had more than mere oral undertakings upon which to base their assurances to the Communists that Rhee and the ROK Government would not obstruct an armistice.

4. Johnson referred specifically to the following sentence in General Harrison's statement which was reported in WA-1731 of July 15†: "I can assure you that we have received from the Government of the ROK the necessary assurances that it will not obstruct in any manner the implementation of the terms of the draft armistice agreement". Johnson said that this assurance was contained in a letter from President Rhee to President Eisenhower. It was on this undertaking in Rhee's letter to Eisenhower and on the Rhee-Robertson conversations that the United States position was based, in authorizing the UNC representatives to inform the Communists that they were able to proceed to the signing and implementation of an armistice.

5. Johnson said that he does not believe that the Communists are now stalling because of concern that Rhee may breach an armistice. He expressed the opinion that the Communists' tactics at Panmunjom, after the numerous assurances given by the UNC representatives, suggest that their attitude is related to their present military tactics. . . .

6. Johnson thought it difficult to understand why the Communists did not agree to sign an armistice before an accord had been reached with Syngman Rhee. He said that if the armistice had then been broken by the ROK after the Communists had been able to rebuild their communications, the Communists would be in an improved position both militarily and from the point of view of world opinion. A possible answer to this might be that the Communists in fact desire an armistice that will stick and therefore chose to allow time for the United States to bring Rhee into line.

7. Johnson, who talked to Robertson after his return yesterday, said that he was no longer deeply concerned about the violation of an armistice by the ROK and that he was entirely satisfied that Rhee and the ROK Government would not obstruct an armistice. He expressed doubt that Rhee had commented on his agreement with Robertson in exactly the way in which Lucas had reported. He pointed out that Rhee has issued only an official statement on the Robertson negotiations and this is one to which exception cannot be taken. In this statement, the text of which is contained in my immediately following message, Rhee, referring to the fact that he stands for reunification of Korea, said "there may be a change of method but not of objective". Johnson repeated that an innocuous public statement was about the best that could be got from Rhee and that he could never be expected publicly to espouse the armistice.

8. I think that the UNC delegates at Panmunjom have now given to the Communists as satisfactory answers as possible to their questions regarding the implementation of the armistice and the attitude of the ROK (Ref. WA-1725, WA-1731

and WA-1734).† It remains to be seen whether the Communists wish to accept them, together with the fact that the escaped Korean prisoners cannot be recaptured.

110. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire en Inde

Secretary of State for External Affairs to High Commissionner in India

TELEGRAM 163 Ottawa, July 17, 1953

CONFIDENTIAL. IMPORTANT.

KOREAN ARMISTICE

Reference: Our telegram No. 158 of July 15th.†

Following from Under-Secretary, Begins: Mr. Pearson did not go to New York as planned. In the meantime Hammarskjold has completed informal soundings and has reported that there is not at present a majority in favour of summoning the Assembly immediately. I have passed this information to Saksena and the Minister would be grateful if you would also pass it to Mr. Nehru.

2. The meeting in New York was to include Dulles. Mr. Dulles, however, felt unable to go to New York at this time and the meeting for this reason has been deferred. Ends.

111. DEA/50069-A-40

Extrait du télégramme du haut-commissaire en Inde au secrétaire d'État aux Affaires extérieures

Extract from Telegram from High Commissioner in India to Secretary of State for External Affairs

TELEGRAM 150 New Delhi, July 20, 1953

SECRET. IMPORTANT.

KOREAN ARMISTICE

Reference: Your telegram No. 163 of July 17.

1. On July 18 I asked the Secretary General to give the Prime Minister this information on his return to Delhi. Pillai said Saksena had reported this and also that he had learned that the US . . . was opposed to Indian membership in the post armistice conference. The Prime Minister had not, repeat not, yet seen this telegram.

2. The language Pillai used to me about reported United States opposition to Indian membership could scarcely have been stronger: a terrible mistake, a frightful error; the effect on Indo-American relations would be deplorable. Speaking person-

ally Pillai said he hoped you would do everything you possibly could to persuade the United States to change its mind.

3. I should be grateful if you would let me know what I can say to Pillai or to the Prime Minister whom I may be seeing soon. Pillai is, I am afraid, not, repeat not, exaggerating the evil effect on Indo-American relations if the United States does not, repeat not, soon assure India it wants India at the political conference.

4. Pillai also spoke to me about mounting irritation with the United States over their investigation in India of Indian shipments of goods to Communist China.

5. It would be particularly unfortunate if a crisis in Indo-American relations arises now when the new United States Ambassador has not, repeat not, yet been able to establish friendly relations with higher Indian authorities.

112. DEA/50069-A-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 152 New Delhi, July 22, 1953

KOREAN ARMISTICE

Press note issued yesterday by External Affairs Ministry states Indian Government "wish to assure themselves that India's representatives and armed forces which have to be sent to Korea under Prisoners of War Agreement will be able to function in an honourable capacity and under conditions in keeping with India's self respect and dignity". Indian Government has accordingly sought clarifications from United States Government and Chinese Government of position in Korea and "how it will affect India's fulfilment of her responsibilities".

113. DEA/50069-A-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 153 New Delhi, July 22, 1953

SECRET. IMPORTANT.

KOREA

Reference: My immediately preceding telegram.

1. Indian announcement yesterday also makes public decision reported in paragraphs 3, 4 and 6 of my telegram No. 147 of July 15th.†[32]

2. United States Ambassador informed me yesterday he had not, repeat not, yet received from Washington the information requested by the Indian Government in memorandum of July 15th, referred to in paragraph 2 of my telegram under reference.[33]

3. You might wish to consider sending Mr. Nehru a cable as soon as the armistice is signed in your capacity as President of the Assembly expressing appreciation of the vital part which he and his country have played in making the armistice possible and of their acceptance of the difficult and onerous responsibilities under the armistice terms. You might wish to accompany such a message which, along with Mr. Nehru's reply, could be made public with a personal private message from you, in your capacity as Secretary of State for External Affairs, expressing your hope that India will at the Political Conference continue to make the kind of constructive contribution to the peace which it has been making in the negotiations for the armistice.

---

[32] Le télégramme faisait part de l'intention de l'Inde d'envoyer un groupe d'officiers en Corée, après qu'un armistice aurait été conclu, pour s'entretenir avec le commandement des Nations Unies, de la Chine et de la Corée du Nord. Il confirmait aussi les conjectures selon lesquelles le général Thimayya de l'armée de l'Inde présiderait la Commission neutre de rapatriement et que l'ambassadeur de l'Inde à la Haye en deviendrait le vice-président.
The telegram reported India's intention to send a team of officers to Korea, after an armistice had been arranged, to confer with the United Nations, Chinese and North Korean Commands. It also confirmed speculation that General Thimayya, Indian Army, would chair the Neutral Nations Repatriation Commission and that India's Ambassador to The Hague would become Deputy Chairman.

[33] Voir le précédent télégramme./See immediately preceding telegram.

114. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à la délégation permanente auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Delegation to the United Nations

TELEGRAM 424 Ottawa, July 24, 1953

SECRET. IMMEDIATE.

KOREA — MR. PEARSON'S VISIT TO NEW YORK

Repeat London No. 1253; Washington No. EX-1311.

Following from the Under-Secretary, Begins: I should be grateful if you would draw to the attention of the Minister the following summary of our thinking on a number of points concerning the convening of the General Assembly, and the proposed political conference, which summary might be helpful to the Minister in his talks with Hammarskjold and Dulles or Lodge.

Date of assembly session

While we recognize the importance of the Assembly being reconvened as soon as possible after an armistice, to consider the report of the Unified Command, and to set the stage for the political conference, we feel that the success of the Assembly may depend largely on sufficient time elapsing before it convenes to permit (a) general agreement to be reached behind the scenes between the Western Nations now directly concerned in the Korean conflict, concerning the composition of the conference, its terms of reference, agenda and place and time of meeting, and, thereafter, (b) some agreement to be reached through diplomatic channels between these states and Moscow and Peking concerning the same subjects. If a fair degree of unanimity is achieved prior to the Assembly session, then it should be possible for the Assembly to deal with its business in short order and thereby create an atmosphere favourable to the conduct of business by the political conference. Without such a degree of pre-Assembly understanding, Assembly debate could confuse both issues and the public and serve as an impediment to a solution of Korean and related problems.

Form and composition of conference

3. According to paragraph 60 of the Draft Armistice Agreement, the military commanders of both sides recommend to the governments of the countries concerned on both sides that "a political conference of a higher level of both sides be held by representatives appointed respectively . . .". The implication here is that the conference should be of a "cross-table" nature, and indeed, should function similarly to the armistice negotiations. We very much prefer the "round-table" approach and do not consider that the Assembly need be bound by the recommendation of the military commanders in so far as it seems to require a "cross-table" conference.

4. There is some evidence that the other side does not feel committed by the implication of this recommendation. The Soviet resolution on Korea, which the As-

sembly turned down last December, called for the Korean question to be referred to a commission of states designated by the Assembly. The Commission was to consist of representative states directly concerned with the Korean War and states which had not participated in it. Since there would have been neither a UN side nor another side to a conference of this nature, it can easily be inferred that a "round-table" conference was envisaged. It is unthinkable that this resolution would have been proposed without consultation between Moscow and Peking.

5. The US Working Paper of August 18, 1952, which remains the most detailed statement we have of American ideas relating to UN action in the event of an armistice in Korea, is undoubtedly based on the assumption that the recommendation of article 60 of the Armistice Agreement would be acceptable. If there are signs of Soviet co-operation the Paper proposes an Assembly resolution by which the Assembly:

"Agrees to the holding of a conference of governments acting on behalf of the United Nations, the Republic of Korea and the other parties contemplated by the recommendation in the armistice agreement;

"Designates the following United Nations member governments with armed forces in Korea, viz. Australia, Colombia, France, Thailand, Turkey, the United Kingdom and the United States, to act on behalf of the United Nations, and requests them, in consultation with the Republic of Korea, to arrange for and participate on behalf of the United Nations in such a conference for a Korean settlement as soon as possible and at an agreed place;

"Invites the Government of the USSR to participate in the conference".

6. If the US continues to adhere to the views expressed above, we think it probable that Washington may find small support for them among UN members, and that therefore perhaps more time may be necessary to bring about harmony between US views and those of the nations which fought in Korea on the UN side, than to secure diplomatically the agreement of the Communists to conference arrangements. Again the Soviet resolution referred to above indicates that the Communist states are prepared to be named by the Assembly as participants in the conference. The commission proposed by the Soviet Union was to include the USSR, Communist China, Czechoslovakia and North Korea, in addition to the US, the UK, France, India, Burma, Switzerland, and South Korea.

7. We think that the essential states to take part in the conference are the following ones: US, UK, France, India, Soviet Union, Communist China, North Korea and South Korea. India is included in the list because:

(a) It is the greatest non-Communist power in Asia; and the issues before the political conference are primarily Asian;

(b) India has both participated in the UN effort in Korea and has used her influence in obtaining an armistice;

(c) India's influence in Peking is second only to that of the Soviet Union;

(d) Nehru understands and can interpret to China the point of view of the West;

(e) If India knows that it is being considered favourably as a member of the political conference, it will take greater interest in the important pre-Assembly consultations in Peking where its Ambassador has access to Chou-En-Lai;

(f) India represents the Arab-Asian Group in the General Assembly of the UN, and is probably also acceptable as the spokesman of most of the nations of South East Asia;

(g) India expects to participate and her relations with the US could be seriously impaired if the Americans insist on keeping India out;

(h) India is the umpire of the Repatriation Commission. The cases of prisoners-of-war not solved by this Commission will be referred to the political conference. Indian representation on both commission and conference would make for a desirable link between the two bodies.

8. We have reason to believe that the US is still opposed to Indian membership. At this time, our opinion that India should be included is supported by France and Australia.

9. We feel that the view of the United States that the Soviet Union is the malevolent presence behind the aggression in Korea is argument enough for Soviet representation in a conference meant to deal with the problems arising out of that war. We consider the suggestion in the US Working Paper, by which the Soviet Union would be invited by the Assembly to participate in a "cross-table" conference, to be unsatisfactory, and this is another reason why we prefer a "round-table" approach.

10. In addition to the eight states named above, which, we think, must attend the conference, we feel it would be desirable to add certain other nations to bring the total to 15, especially since such addition would make it easier for Canada to be included and more difficult for India to be excluded. These additional countries would be Canada, Colombia, Turkey, Australia, Czechoslovakia, Poland and Sweden, and by suggesting them, we have taken into consideration the factors of geography, idealogy, and UN grouping, e.g. Latin American bloc, Arab-Asian bloc. The total list includes 5 Communist nations as opposed to 10 non-Communist nations and provides for Australia, 6 from Europe, 4 from Asia, 2 from North America, 1 from South America, 1 from the Middle East. The list contains all of the nations suggested by the US Working Paper to act on behalf of the UN with the exception of Thailand.

Time and place of conference

11. We think that the earlier the conference could assemble the better, but that it could scarcely meet before 30 days after an armistice. Colombo would seem to be the most appropriate location.

Terms of reference and agenda

12. We favour the Assembly in setting the terms of reference for the conference to leave the agenda to that body for decision. Ends.

115. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à la délégation permanente auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Delegation to the United Nations

TELEGRAM 428 Ottawa, July 24, 1953

SECRET. IMMEDIATE.

KOREA — COMMUNIST CHINESE AND NORTH KOREAN ATTENDANCE AT GENERAL ASSEMBLY

Reference: Our teletype No. 424 of July 24.
Repeat London No. 1258; Washington No. EX-1317.

Following from the Under-Secretary, Begins: The Minister might find helpful in his New York talks the following outline of our thinking on the above subject.

2. Unless something is done to assure the Peking Government that their wishes are to be taken into consideration with respect to the main purpose of the reconvened Assembly — namely the setting-up of a political conference — the Soviet Union or India might propose that Communist Chinese and North Korean representatives be invited to the Assembly. Such a move would probably receive considerable support and, therefore, could create embarrassment. If, prior to the Assembly session, behind-the-scenes agreement could be reached with Peking and Moscow concerning the composition, terms of reference, etc. of the conference, then we suggest that since the purpose of the Assembly would be to endorse these agreements there would be no reason for any delegation to press for Communist Chinese and North Korean representation at the reconvened Assembly, and indeed, the matter need not arise. Ends.

116. DEA/50069-A-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations to Secretary of State for External Affairs

TELEGRAM 451 New York, July 25, 1953

CONFIDENTIAL. IMPORTANT.

KOREA — RECONVENING OF GENERAL ASSEMBLY

Repeat Washington No. 312.

At a luncheon I gave for Mr. Pearson yesterday attended by the Secretary-General, Cordier,[34] Protitch[35] and the Permanent Representatives of the United States, United Kingdom, France, Greece, Brazil, Pakistan, India, Australia, Honduras, Netherlands, New Zealand and Turkey, we had an opportunity for a general discussion of matters relating to the reconvening of the Assembly in the event of an armistice.

2. *Date* — Mr. Pearson said that on the assumption that an armistice was signed over this week-end, he would like to send out notices as soon as possible fixing a definite date for the reconvening of the Assembly which, under the April 18 resolution, must be summoned "immediately". He said he thought that probably two but not more than three weeks would be required for making the necessary preparations and mentioned press reports speculating that August 12 was a likely date. There seemed general agreement among those present that August 12 or 13 would be suitable, but Lodge told us that Mr. Dulles was committed (through Robertson) to confer with Syngman Rhee in Korea about the political conference following an armistice and there should therefore be sufficient time for these talks to be held.

3. Later in the afternoon Lodge called Mr. Pearson by telephone to say that Mr. Dulles would be "most distressed" if the Assembly were to meet before August 17. As the difference between this date and the ones discussed at lunch is only two or three working days, Mr. Pearson is inclined to agree to August 17 or three weeks following an armistice, if the signing of the armistice is postponed. Mr. Pearson informed Dayal of his intentions. Dayal, though favouring a shorter period, did not appear seriously disturbed. I have informed Jebb and Hoppenot.

4. *Duration* — Mr. Pearson also mentioned the desirability of sounding out the Russians as to membership of the political conference and other matters that the reconvened Assembly would have to decide. As Jebb said, in agreeing with this

[34] Andrew W. Cordier, assistant exécutif du secrétaire général des Nations Unies.
Andrew W. Cordier, Executive Assistant to Secretary-General of the United Nations.

[35] Dragoslav Protitch, directeur principal, Département des Affaires politiques et des Affaires du Conseil de sécurité, Secrétariat des Nations Unies.
Dragoslav Protitch, Principal Director, Department of Political and Security Council Affairs, United Nations Secretariat.

suggestion, if proper consultations had taken place beforehand, the issue of Chinese representation might be avoided and the resumed session concluded in about a week.

5. *Preliminary Negotiations* — Hoppenot raised the question of whether, after an armistice had been signed, the centre of gravity of consultations among friendly delegations might not appropriately shift from Washington to New York. Although other Permanent Representatives thought that delegations here would increasingly have to come into the picture, as the date for reconvening the Assembly approached, Lodge nevertheless pointed out that Washington had the advantage, from the United States point of view, of providing better opportunities for keeping in close touch with the South Koreans.

117. DEA/50069-A-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations to Secretary of State for External Affairs

TELEGRAM 454 New York, July 25, 1953

SECRET

KOREA — RECONVENING OF GENERAL ASSEMBLY

Following from the Minister, Begins: Please send following message to Mr. Reid in New Delhi, Begins: I saw Dayal[36] in New York in connection with the date of the forthcoming Assembly if an armistice is signed this weekend. I told him that I had discussed the matter with various delegations during the morning and the Secretary-General had sounded out others previously. We had hoped to call the Assembly on August 13 if the armistice were signed tomorrow and the notice sent out Monday, but the Americans were very anxious to have a three week interval, especially as Mr. Dulles is going to see Rhee in Korea after the armistice is signed. Other delegations also wished for three weeks and therefore if the armistice is signed tomorrow the date of the Assembly would be Monday, August 17. Dayal indicated that they would have preferred an earlier date but in the circumstances agreed that the 17th would not be too bad.

2. The forthcoming visit of Dulles to Korea after the armistice has aroused some uneasiness in certain quarters here as it will seem to play up in an excessive way Syngman Rhee's position. On the other hand, and I think this is important, the fact that Dulles will meet Rhee during at least part of the period between the armistice and the Assembly should help to ensure that there will be no trouble from the South Koreans before our meeting in New York.

---

[36] Rajeshwar Dayal, représentant permanent de l'Inde auprès des Nations Unies.
Rajeshwar Dayal, Permanent Representative of India to the United Nations.

3. The Secretary-General and I are as anxious as you are that India should be a member of the political conference. Indeed, if the objection of the United States to such membership is maintained, and I hope this will not be the case, the Assembly would be likely to override such objections and include India in any event. It would, however, be far better if the United States indicated its support before the Assembly meets for India's membership and we shall do what we can to bring this about. To be perfectly frank, difficulties on this regard would be greatly increased if, Krishna Menon were the Indian member of the Political Conference. As you know, I have a much higher regard for Menon than certain other people have, but the fact remains that the Americans take the darkest possible view of him and the difficulties with regard to Indian membership will be harder to remove if he is to be the member. I suppose there is nothing we can or should do about this, but if you have an opportunity you might sound out very discreetly Indian views regarding their own membership on the Conference. Ends.

Note: Telegram repeated to New Delhi as our No. 170 of July 27.

118. DEA/50069-A-40

Extrait du télégramme du représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Extract from Telegram from Permanent Representative to the United Nations to Secretary of State for External Affairs

TELEGRAM 459 New York, July 25, 1953

SECRET

KOREA — RECONVENING OF GENERAL ASSEMBLY

Repeat Washington No. 317.

Following for the Under-Secretary from the Minister, Begins: Mr. Johnson has reported to you on yesterday's developments, but I shall send you a separate message on my conversation in the morning with the Secretary-General.

2. We gave preliminary consideration to the following points regarding the forthcoming Assembly.

(1) *Date* — We thought that August 13 would be a suitable date, but as you know, that has since been altered, at United States request, to August 17 if the armistice is signed this weekend. There will, I think, be general approval of this date although the Indians and the British would have liked it to be somewhat earlier. I understand the USSR will be agreeable to three weeks, but I am trying to see Tsarapkin[37] this afternoon to confirm this. The fact that Dulles is going to Korea after the armistice though I think unfortunate from the point of view that it plays up

[37] Semen K. Tsarapkin, représentant permanent suppléant de l'Union soviétique auprès des Nations Unies.
Semen K. Tsarapkin, Deputy Permanent Representative of Soviet Union to the United Nations.

Syngman Rhee too much, may be useful in keeping him quiet during the interval between the armistice and the Assembly. I have emphasized this aspect to those to whom I have mentioned it here and who are dubious about its wisdom.

(2) We agree that every effort should be made to keep the Assembly and its discussion restricted to the question of the setting up of the political conference.

(3) We felt that possibly time would be saved if discussions were in plenary session, but this will have to be left to the Assembly itself. Presumably a decision could be made by the Steering Committee which would be called together immediately before the first session.

(4) We both strongly favoured the round-table rather than the cross-table approach at the peace conference and we felt that the Assembly should not attempt to specify the agenda for that conference giving full authority to the conference itself in that matter.

(5) It is felt that the membership of the peace conference should be reasonably small — 11 or 13 with an upper maximum of say 15.

(6) We both felt it would be most unfortunate if the membership were confined to belligerents in the Korea war, which seems to be the view in Washington. Hammarskjold was as anxious as I was to secure Indian membership, but we both agreed that this should be worked out before the Assembly meets and that every effort should be made to secure United States support for it. The difficulty in this regard will be increased by the fact that Krishna Menon is likely to be the Indian member of the political conference.

(7) We agreed that there should be an organic connection between the political conference and the Assembly to which it should ultimately report.

(8) We felt, as you do, that if questions regarding membership and agenda of the political conference could be agreed with Moscow and Peking before the Assembly then it might be possible to avoid any discussion of representation of North Koreans and Chinese Communists at the Assembly itself.

(9) We felt that it would be desirable to keep in close touch with the USSR on questions relating to the forthcoming Assembly.

3. While Hammarskjold and I were in almost complete agreement in the above measures, we appreciated that unless the British, the French and above all the Americans and the Communists have some preliminary exchange of views concerning them and reach some general understanding, agreement between the President and the Secretary-General will not amount to much. I doubt whether the Americans will be able to take any initiative in this regard, but the British and the French should if possible do so.

4. I do not think that there is anything more I can do in New York at the present time. But I hope that within the next three weeks some progress can be made between the governments most concerned in coming to agreement on the above matters. Otherwise the Assembly might drag on for much longer than a week.

5. I discussed many other problems with Hammarskjold, such as United Nations security problems, staff and personnel problems, organization of the next Assembly, etc. I found him reasonably satisfied about the first problem, security, having

just succeeded in working out a solution with Lodge and the United States Government for a headquarters agreement. He is determined not to yield to the United States administration on any question of principle concerning his staff or to admit of any unwarranted interference, but he will do his best to satisfy legitimate United States preoccupations. Meanwhile I have learned from many quarters that the morale of the Secretariat is much higher. There is a great improvement over the situation there last spring.

. . .

119. DEA/50069-A-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations to Secretary of State for External Affairs

TELEGRAM 460 New York, July 27, 1953

SECRET

KOREA — RECONVENING OF GENERAL ASSEMBLY

Reference: Our telegram No. 454 of July 25.
Repeat Washington No. 319.

Mr. Pearson asked me to send you brief reports of conversations he had on the afternoon of July 25 with Tsarapkin (USSR) and Wadsworth (United States).[38]

2. Mr. Pearson explained to Tsarapkin that he had come to New York to consult with the Secretary-General about General Assembly matters. In addition, Mr. Pearson said that he was having private talks with a few delegations, including the USSR, United Kingdom, United States and India. The date of the reconvened session had, Mr. Pearson said, to be settled quickly. From talks with a number of delegations including the Soviet delegation the Secretary-General thought that a period of from two to three weeks would be satisfactory. The Americans, Mr. Pearson explained, wished for more than three weeks, whereas the Indian and United Kingdom delegations wished for a shorter period. Mr. Pearson himself had come to the conclusion that about three weeks would be the most satisfactory period. Mr. Pearson made it clear to Tsarapkin that he proposed to call the Assembly on August 17 if the armistice was signed over the week-end. Tsarapkin did not raise any objection. In fact, he hardly made any comment.

3. Mr. Pearson then commented on the work of the resumed session. He hoped that it would confine itself to setting up the political conference. The General Assembly need only decide the composition of the political conference, the agenda in

[38] James J. Wadsworth, représentant suppléant des États-Unis auprès des Nations Unies et représentant suppléant auprès du Conseil de sécurité (23 février-).
James J. Wadsworth, Deputy Representative of United States to United Nations and Deputy Representative on the Security Council, (February 23-).

very general terms and its place of meeting. As regards its agenda, the General Assembly might merely request the conference to give effect to Article 60 of the armistice agreement.

4. In the three week interval before the General Assembly meets, Mr. Pearson told Tsarapkin that he hoped there would be consultations among the major delegations. Mr. Pearson suggested to Tsarapkin that he should keep in touch with Mr. Hammarskjold and let him have Soviet views. Mr. Pearson also thought Tsarapkin might usefully get in touch with Jebb and other leading delegates.

5. As regards the size of the conference, Mr. Pearson said that it might be comprised of 11, 13 or 15. Tsarapkin then said that the conference should consist of two only, the United Nations on one side and presumably North Korea on the other. When Mr. Pearson asked him where the USSR would fit in he looked baffled and, in effect, backed away from his suggestion. Tsarapkin enquired about voting procedure. Mr. Pearson said that in a conference of this kind, decisions could hardly be made by a majority vote. There would have to be agreement among the major participants.

6. Tsarapkin said very little in the course of a half-hour talk. His last words were that all these matters would require careful consideration.

7. Wadsworth arrived shortly after Tsarapkin had left. Mr. Pearson told Wadsworth about his talk with Tsarapkin, he also told Wadsworth that he had decided that the Assembly should be called on August 17 if there was an armistice over the week-end.

8. Mr. Pearson touched upon the political conference. He hoped that the Assembly would confine itself to setting up the political conference. Mr. Pearson thought it was important that India should be invited. Wadsworth indicated that an invitation to India would not be popular with the United States Administration, but he agreed that this question should be settled well in advance of the General Assembly. The United States, Wadsworth agreed, would not wish to be in the position of being in a minority in voting against an invitation to India. Mr. Pearson indicated that Colombo might be a suitable place for the conference. Wadsworth said he had no information about United States views.

9. Mr. Pearson then said to Wadsworth that it was most important for the major countries to keep in close touch with each other during the period before the Assembly meets. Mr. Pearson thought the most appropriate place for consultation would be in New York. Wadsworth agreed about the need for consultations but did not express any preference for New York over Washington. Wadsworth added that it was unfortunate that Mr. Dulles would be absent in Korea. Mr. Dulles, he said was not inclined to delegate authority. Hence, the United States delegation might not be able to get instructions on some of the important points to be decided.

120. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

SECRET [Ottawa], July 27, 1953

1. KOREA — ARMISTICE

Far Eastern Division: At 10.01 A.M. on July 27, Korean time (9.01 P.M., Ottawa time, July 26) Lieutenant General William K. Harrison, Jr., representing the Unified Command, and North Korean General Nam Il, representing his country and Communist China, signed the armistice agreement at Panmunjom. The cease-fire was to take effect twelve (12) hours later. After US Delegate Henry Cabot Lodge, Jr., had notified, on behalf of the Unified Command, United Nations Secretary-General Hammarskjold that the armistice had been signed, a statement by Mr. Pearson as President of the General Assembly was broadcast. In his statement Mr. Pearson termed the Korean armistice "the first step toward a peaceful settlement in that area". He went on to announce that, in accordance with the Assembly's Resolution of April 18 last, he was informing the member governments that the Assembly would reconvene at UN Headquarters on August 17, to take up Korean questions, i.e., the calling of the political conference and the need for further UN action to aid the Korean people in rehabilitating their country.

The last substantive issue in the way of an armistice was overcome when UN Command and Communist staff officers agreed on the principle that non-repatriable prisoners-of-war should be handed over to the Repatriation Commission in the demilitarized zone.

Although President Rhee took no last minute action to upset the signature of the armistice, his statements to the press indicate that he remains a problem not yet completely resolved. Secretary of State Dulles had promised to have a personal meeting with Mr. Rhee before the convening of the General Assembly.

. . .

121. DEA/50069-A-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations to Secretary of State for External Affairs

TELEGRAM 461 New York, July 27, 1953

CONFIDENTIAL

KOREA — RECONVENING OF GENERAL ASSEMBLY

Repeat Washington No. 321.

Following for the Under-Secretary, Begins: Mr. Pearson left for Montreal this morning on schedule.

2. I do not know that there is very much I need to say about the events of last evening. When it became certain that the armistice would be signed at 9 p.m., a television programme was arranged to start at 10 p.m. with a message from President Eisenhower. Messages from Mr. Dulles, Mr. Pearson and Mr. Hammarskjold were to follow. At 9 o'clock last night Mr. Pearson and I went over to the United Nations. It was then decided that the recorded message should be superseded by a live television broadcast. I told Wilder Foote and Peter Aylen of the United Nations to keep in touch with Freifeld[39] and let him have the text of Mr. Pearson's statement as soon as it was ready. Mr. Pearson was still working on it after 9 p.m. Mr. Pearson made his statement at least twice, once for television and once for newsreel purposes.

3. Mr. Pearson seemed well satisfied with his visit. It was most fortunate that he was here on the date of the signing of the armistice. The press seemed to think that when his visit was first planned we knew that the armistice would be signed on Sunday evening.

4. In his talks here with Jebb, Dayal, Lodge, Wadsworth, Tsarapkin, Hoppenot and others, Mr. Pearson urged them to keep in touch with each other with a view to settling, in advance if possible, the major questions which will come before the resumed session. What in fact will be done is another question. Mr. Pearson said to me at one point that while we in the Canadian delegation should keep in close touch with other delegations, we should not take the initiative. The primary responsibility must lie on the big powers, the United States, United Kingdom and France on one side, and the USSR on the other. Ends.

---

[39] Sydney Freifeld, agent d'information, délégation à la septième session de l'Assemblée générale des Nations Unies.
Sydney Freifeld, Information Officer, Delegation to Seventh Session of the General Assembly of the United Nations.

122. DEA/50069-A-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1343 London, July 28, 1953

SECRET

KOREA — POLITICAL CONFERENCE

Reference: Your telegram No. 1253 of July 24.[40]
Repeat Permdel and Washington.

With reference to paragraph 8 of your telegram, we should like to remind you that the United Kingdom is also strongly in favour of Indian participation in the political conference.

123. DEA/50069-A-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations
to Secretary of State for External Affairs

TELEGRAM 474 New York, July 29, 1953

CONFIDENTIAL

KOREA — RESUMED SESSION OF GENERAL ASSEMBLY

Repeat Washington No. 329; London.

1. When Mr. Pearson was here he urged delegates of major countries to confer among themselves about the problems of the resumed session. I asked Jebb yesterday afternoon about the prospects for an early beginning of consultations. Jebb seemed pessimistic. He told me that the United Kingdom Embassy in Washington approached the State Department a few days ago and urged them to begin these consultations without delay in New York, or, if they strongly prefer, in Washington. Jebb said that they had had no reply.

2. Jebb fears that the United States delegation for lack of instructions will not be able to take the initiative. Lodge remains in Massachusetts most of the time and Wadsworth acknowledges that he has no instructions to begin consultations.

3. I also asked Jebb how he thought these consultations would take place. His idea is that Lodge might preside over a group of friendly powers including the

[40] Document 114.

United Kingdom, France, Canada, Australia, Brazil and possibly India and a few others.

4. There is some fear here that little may be done between now and the opening of the session. Mr. Dulles may be too busy on other matters to reach decisions on Assembly questions before he leaves for Korea on August 2. There will be very little time for consultations with him between the time he returns from Korea and the General Assembly opens.

5. I asked Jebb if he had any plans to talk to Tsarapkin. He said he would not do so without instructions from his government and so far he has received no instructions. I think that Jebb before talking to the Russians would like to have some general agreement among the Western Powers.

124. DEA/50069-A-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations to Secretary of State for External Affairs

TELEGRAM 476 New York, July 29, 1953

CONFIDENTIAL. IMPORTANT.

KOREA — SUMMONING OF GENERAL ASSEMBLY

Following is the text of a letter dated July 29 and marked Personal and Confidential from the Secretary-General to the President of the General Assembly. Text begins: Just before leaving I want to send you a line about today's situation. I find it most unsatisfactory. There is considerable unrest among the delegations and some uncertainty about who is to take what initiative. The explanation is, of course, that we are not likely to get any fruitful contact with our United States friends before the return of Dulles, and as Dulles goes to his conferences with Rhee accompanied by his bipartisan group, without previous consultation with nations here, it is felt that, when we get in touch with the United States representatives later, we shall be faced with a fait accompli. Obviously Mr. Dulles' statement at yesterday's press conference and the facts brought for example in today's article by Reston,[41] do not make people any happier. It should be added that the differences of views between the United States and the British representatives as of today are quite considerable.

I don't think there is anything that could be done from my side or from the United Nations Secretariat in the next few days, but I will check the situation on my return Tuesday next week, and then I am, of course, quite willing to serve as a midwife if the troubled husbands would like such assistance; I have made that clear to the main delegates here.

---

[41] Article de James Reston dans le *New York Times* du 29 juillet 1953.
Article by James Reston in the *New York Times*, July 29, 1953.

It was good to see you here in New York. I hope you don't wear yourself out entirely. Text ends.

125. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1352 Ottawa, August 1, 1953

CONFIDENTIAL. IMMEDIATE.

KOREA — RESUMED SESSION OF GENERAL ASSEMBLY

Repeat Permdel No. 446; London No. 1293.

Following from the Under-Secretary, Begins: At the request of the Minister I have today asked our representatives in London, Canberra and Paris to inform the governments to which they are accredited, about our concern at the depressing outlook for pre-Assembly consultation between the western nations more directly concerned in the Korean conflict, on the composition of the political conference, its terms of reference, agenda and time and place of meeting; and to express to these governments our hope that some consultation can take place.

2. The Minister attaches particular importance to the United States being informed of the difficulties which would be created if there were no advance clearing of views and if an effort were made to push things through in a day or two on lines agreeable to Washington, but possibly not satisfactory to other countries. In his opinion, the public statement of Mr. Dulles that he is going to Korea to work out "common positions" between the US and the Rhee Government gives us additional reason for worry in this regard. He wishes you to convey discreetly to the State Department the view that a lack of pre-Assembly consultation between the western powers more directly concerned with Korea will lead to trouble when the Assembly meets on August 17, with the probable consequence that the session may be unduly prolonged.

3. In paragraph 3 of teletype number 474 of July 29 from Permdel, New York, repeated to you as number 329, Mr. Johnson reports a suggestion by Jebb concerning the procedure for consultation. The Minister considers that the suggested procedure would be good and useful.

4. We have just seen your WA-1869 of July 31† reporting on your initial call on Dulles. Presumably you will be passing to the State Department the views set forth in paragraph 2 above before Dulles's departure (your message suggests this may possibly be Sunday).

5. Possibly in presenting your letters of credence to the President, there may be an opportunity of referring to the importance we attach to adequate prior consultation in advance of Assembly session. Ends.

126. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1880 Washington, August 3, 1953

CONFIDENTIAL. IMMEDIATE.

KOREA — RESUMED SESSION OF THE GENERAL ASSEMBLY

Reference: EX-1352 of August 1, 1953.
Repeat Permdel No. 329 (Immediate); London No. 70

Following for the Acting Under-Secretary, Begins: My messages WA-1873†, 1874† and 1875† of August 1 reporting the meeting of Ambassadors with the Secretary of State crossed yours. I tried to get in touch with you by telephone over the weekend to tell you that Dulles had had this meeting prior to his departure and to say that I was encouraged by his attitude, which was clearly appreciative of the necessity for consultation with all governments primarily concerned, before the opening of the Assembly. Dulles went out of his way to try to allay suspicions that he might be going to Korea to concoct with Rhee a potion which would have to be swallowed by the Allies whether they like it or not.

2. I did not, of course, have a further opportunity to speak to Dulles after receipt of your message and before his departure for Korea and there was no suitable occasion to raise this topic with the President when I presented my credentials. I realize that, despite Dulles' attitude, time will be short between the Secretary's return and the opening of the Assembly for the gaining of agreement among the principally interested governments. I plan to see Robert Murphy, the Assistant Secretary for United Nations Affairs, within the next day or so and I shall express to him our anxiety on this score and suggest the desirability of the United States delegation in New York initiating exploratory conversations with select friendly delegations prior to Dulles' return from Korea. Ends.

127. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire en Inde

Secretary of State for External Affairs to High Commissioner in India

TELEGRAM 173 Ottawa, August 6, 1953

SECRET

KOREA

Reference: Your telegram No. 150 of July 20th, 1953.

Following from Acting Under-Secretary, Begins: In his telegram No. 170 of July 27,[42] the Minister has stated that we shall do what we can to obtain United States support before the Assembly meets for India's membership on the Political Conference. However he thinks that no useful purpose would be served if you were to assure Indian leaders that he was prepared to play the role of special advocate for India in seeking to dissuade the United States from its opposition. He agrees that in conversation with Pillai or the Prime Minister you might say that Canada has made clear to its friends that it wishes India at the Conference and will continue to make these views known on suitable occasions. Ends.

128. DEA/50069-A-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations to Secretary of State for External Affairs

TELEGRAM 502 New York, August 7, 1953

CONFIDENTIAL

KOREA — RESUMED SESSION

Repeat Washington No. 346.

Lodge's secretary has invited me, along with delegates of all other states with troops in Korea, to a stag dinner on August 12. Ross[43] told me this morning, however, that he hoped Lodge would be here some time Monday or Tuesday at latest and that consultations would begin before next Wednesday evening.

[42] Document 117.

[43] John C. Ross, représentant suppléant des États-Unis auprès du Conseil de sécurité des Nations Unies.
John C. Ross, Deputy Representative of United States on the Security Council of the United Nations.

2. Am I right in assuming unless I receive further instructions from you, I am not to go beyond the views expressed in your teletype No. 326 of June 17[44] except to the extent they are elaborated in your teletypes No. 424 and 428 of July 24.

3. I am particularly interested to know how strongly I should press the view that the political conference should consist of the 15 countries mentioned in your teletype No. 424 of July 24 and more particularly how strongly I should press Canada's claim. As far as I can find out here, there would be little support for a conference of that size or for both Australian and Canadian participation. If there is general agreement that either Canada or Australia, but not both, should participate, do we acknowledge that Australia has a prior claim.

4. If Canada is not likely to attend the political conference, is it not possible that a conference consisting of the essential states mentioned in paragraph 7 of your teletype No. 424 (i.e., United States, United Kingdom, France, India, USSR, Communist China, North Korea and South Korea) would be as likely to produce a result satisfactory to Canada as a conference including a number of other states, for example, Turkey, Australia, Poland, Sweden and Colombia. In other words, if we are not to be a member is there not something to be said for supporting the United States desire for a small membership.

5. As regards the location of the conference, if we find that Colombo is not generally acceptable, do we prefer another location in the Far East or would we settle for Geneva.

129. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

CONFIDENTIAL [Ottawa], August 10, 1953

1. KOREA - WARNING STATEMENT

Far Eastern Division: On August 7 a special report of the Unified Command to the United Nations on the armistice in Korea was made public. This report contained the text of a declaration signed in Washington on July 27, 1953 by representatives of Canada and of the fifteen other members of the United Nations whose armed forces were participating in the Korean action. In the declaration these nations affirmed "in the interests of world peace that if there is a renewal of the armed attack, challenging again the principles of the United Nations we should again be unified and prompt to resist. The consequence of such a breach of the armistice would be so grave that, in all probability, it would not be possible to confine the hostilities within the frontiers of Korea". They also expressed the opinion "that the armistice must not result in jeopardizing the restoration or the safe-guarding of peace in any part of Asia". Because of the action of President Rhee in violating armistice terms already agreed upon by his unilateral release of non-repatriable North Korean pris-

[44] Voir le document 94./See Document 94.

oners of war, it had been hoped that the warning statement, agreement on which had been reached in January 1952, would have been dropped. However, the proposal of Secretary of State Dulles, by which the warning statement would be included in the report of the Unified Command and introduced by an explanatory note which would make it clear that the declaration would be effective only if the armistice were broken by an act of aggression by the Communists, was accepted. The explanatory paragraph as published in the report did not make this point as clear as possible. The Canadian position vis-a-vis the warning statement may be summarized as follows:

1. The breach of the armistice referred to in the declaration clearly means an unprovoked renewal of the armed attack which has been recognized as such by a competent organ of the United Nations.
2. In the event of such unprovoked renewal of the armed attack, the form and scope of the measures required would be matters for consultation and discussion between members of the United Nations.
3. Canada is therefore under no obligation to support or participate in any operation in Korea not brought on by a decision of the United Nations.

In a speech in Toronto on August 7, 1953 the Minister stated *inter alia*: "If aggression were committed again by the Communists in Korea the same obligation of resistance would remain, but next time after a truce had been broken it might be more difficult to limit the war. On the other hand, if anyone else in Korea made a peace settlement there impossible by breaking the truce, we, in Canada would have no obligation to support such a breach or assist in any way in meeting its consequences."

. . .

130. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à la délégation permanente auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Delegation to the United Nations

TELEGRAM 468 Ottawa, August 12, 1953

CONFIDENTIAL. IMMEDIATE.

KOREA — RESUMED SESSION

Reference: Your teletype No. 502 of August 7, 1953.
Repeat Washington No. EX-1402; London No. 1330.

In further discussions with delegates of states with troops in Korea, I would wish you to drop our advocacy of a political conference consisting of the 15 countries mentioned in our teletype No. 424 of July 24. You should continue to express support for membership in the political conference of the 8 states which we described as essential in paragraph 7 of teletype No. 424.

2. You should also continue to press Canada's claim for membership as an additional power on the grounds, first, of our military contribution to the Korean action and second of our practical support for the peaceful objectives of the United Nations in Korea.

3. If there is general agreement that either Canada or Australia, but not both, should participate, you should make no acknowledgement that Australia has a prior claim.

4. If Colombo is not generally acceptable, we would probably consider any other suitable Far Eastern location, and Geneva and New York should not be excluded from consideration if either place is likely to receive support.

131. DEA/50069-A-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations to Secretary of State for External Affairs

TELEGRAM 521 New York, August 13, 1953

SECRET. MOST IMMEDIATE.

KOREA — RESUMED SESSION

Reference: My telegram No. 519 of August 12.†[45]
Repeat Washington No. 362 (Important).

1. Lodge had representatives of countries with troops in Korea to dinner last night. At dinner Lodge made a short speech describing visits which he had made to headquarters of forces of each of the 16 countries with troops in Korea. Lodge then handed each of us a photograph of a guard of honour drawn from the 16 nations. At no time during the evening did Lodge give us any account of the discussions with Syngman Rhee in Korea.

2. After dinner we got down to business and had about two hours discussion of plans for the resumed session.

3. Lodge lead off with a statement of the views of the United States. He said that he and Dulles had worked them out on the plane which brought them home and that President Eisenhower had approved them in principle. These views are substantially as follows.

(a) A General Assembly resolution should express appreciation and admiration for forces under United Nations Command and point out that this is the first time in

[45] Note marginale:/Marginal note:
Informed by Mr. Rae that the Minister has dealt with this by telephone to Mr. Johnson and that no action is required. C.E. M[cGaughey]
[S.F. Rae était un conseiller à la délégation à la septième session de l'Assemblée générale des Nations Unies. S.F. Rae was an Adviser to the Delegation to the Seventh Session of the General Assembly of the United Nations.]

history of collective security under the auspices of an international organization. Lodge said there might be a separate resolution dealing with this subject alone.

(b) As regards the Political Conference, Article 60 must be the basis of any resolution setting up a Political Conference. Article 60 speaks of two sides. The General Assembly was concerned only with the United Nations side. The United Nations side should be drawn from those countries which had troops in Korea. The other side might nominate the USSR or India or any other country, but that was their affair.

(c) Lodge acknowledged that each country with forces in Korea had a theoretical right to participate, but he hoped that all would not wish to do so. He suggested the following countries: United States, United Kingdom, France, Australia, Turkey, Colombia, Philippines, Thailand and South Korea.

(d) Each country at the conference, though chosen to represent a side, would, Lodge said, speak for itself and vote as it pleased. Lodge agreed, in answer to a question from me, that in effect the conference would operate on a round-table basis.

(e) The resolution might call on UNKRA to provide for relief for the whole of Korea when unified.

(f) If any country considers that the USSR or India should participate, then one or two additional resolutions could be introduced. The United States would not sponsor any resolution recommending participation by either country. The United States, as of this moment, would not vote for a resolution recommending the participation of the USSR. Lodge made no similar statement about India.

4. Lloyd (United Kingdom) made most of the points given in my teletype No. 519. He thought that the resolution setting up a Political Conference should avoid controversial issues. Hence, although he agreed that a tribute should be paid to the United Nations forces, he thought this should be done in a separate resolution. Lloyd made it quite clear that the United Kingdom thought that both the USSR and India should be invited. He would prefer them to be invited in the same resolution that named the countries with forces in Korea. If some countries felt that they could not sponsor a resolution inviting the USSR or India he would agree to the idea of 3 separate resolutions, one dealing with the United Nations side, one dealing with the USSR and one dealing with India.

5. Maurice Schumann (France) said very little. He thought it was most important for the 16 nations to have a common attitude towards the invitation to the USSR and India. If all 16 could not sponsor resolutions inviting these countries, could they not agree to vote in favour of them. Hoppenot told me afterwards that France was most anxious that the USSR and India be invited.

6. Spender (Australia) said a great deal but chiefly by way of expounding the legal meaning of Article 60 and of summing up what had been said before. He did not commit himself on the question of invitations to the USSR or India. He thought Article 60 should be strictly construed and that the two sides should be drawn from those with troops in Korea. He agreed, however, that the General Assembly might recommend invitations being sent to others but that the Communists also would have to agree to their participation.

7. Munro (New Zealand) asked whether countries not participating in the conference might be invited as observers. New Zealand, he said, was interested in this question. No decision was reached.

8. Columbia, Thailand and the Philippines voiced claims for participation in the conference. Colombia and the Philippines would oppose an invitation to the Russians.

9. I argued that we should not be too technical about the meaning of Article 60. The important thing was to have at the conference table countries which could make a real contribution to achieving a settlement in Korea. We thought there was a hard core of such countries, about 8, namely United States, United Kingdom, France, South Korea, North Korea, Communist China, USSR and India. We would hope that invitations to the USSR and India would be covered in the resolution inviting the participation of countries with troops in Korea. I added that if the list were kept to the hard core of about 8, Canada would perhaps not voice a claim for participation. If, however, it was proposed that about 9 countries on the United Nations side alone should participate, then Canada, which has the third largest number of troops and is making the third largest contribution to economic relief, would not understand its omission. (Either Lodge or I misunderstood you yesterday. Lodge understood you to say that Canada would not ask for inclusion if the countries with forces in Korea which would be invited to participate in the conference were limited to 8 or 9. I understood you to mean that if all countries participating in the conference were limited to about 8 or 9 we perhaps would not object to exclusion.)

10. No decisions were taken. The group agreed to meet again this afternoon at 4 p.m. and Lodge hoped either then or earlier to circulate draft resolutions.

11. I should like to have your instructions as to the general attitude I should take. These are some of the questions which will come up for discussion and if possible for decision:

(a) If the United States again gives the list of countries given in paragraph 3 (c) above, should I ask to have Canada added to the list? I assume so.

(b) The United States will probably circulate two resolutions, one paying tribute to United Nations forces and the other selecting or approving “our side”, but not dealing with the USSR or India. The United States will probably express the hope that all nations with forces in Korea should sponsor these two resolutions. Though I assume we would prefer to have the USSR and India dealt with in the resolution, dealing with “our side” how far should I press that view and what should I say about sponsorship?

(c) If separate resolutions are circulated or suggested for invitations to the USSR and India, what attitude do I adopt? I assume I should indicate that we would probably vote for both resolutions but what should I say about sponsorship? No doubt Lodge will make it clear again that the United States will sponsor neither resolution and will not undertake to vote for either resolution.

(d) What attitude should I take towards the New Zealand proposal for observers?

132. DEA/50069-A-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations to Secretary of State for External Affairs

TELEGRAM 530 New York, August 13, 1953

SECRET. IMMEDIATE.

KOREA — RESUMED SESSION

Reference: Telephone conversation with Mr. Pearson.
Repeat Washington No. 371.

1. I spoke to Wadsworth[46] this afternoon and reported to him your very great concern about the omission of Canada from the list of countries with troops in Korea who would be invited to participate in the Political Conference. Wadsworth said there had been a misunderstanding. He telephoned me a few minutes later to say that Canada's name was now inscribed on the United States draft on which he and Lodge are now working.

133. DEA/50069-A-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations to Secretary of State for External Affairs

TELEGRAM 531 New York, August 13, 1953

CONFIDENTIAL. IMMEDIATE.

KOREA — RESUMED SESSION

Reference: My telegrams Nos. 525, 526 and 527 of August 13† and No. 521 of August 13.
Repeat Washington No. 372.

1. The delegations representing countries with troops in Korea met again this afternoon, August 13, in Lodge's office. He circulated the two resolutions we had sent you with our telegrams Nos. 526 and 527 of August 13. The text of the first (paying tribute to United Nations soldiers) seemed to meet with general approval, the only change being in the third paragraph where it was felt that it would be more

---

[46] James J. Wadsworth, représentant suppléant des États-Unis auprès des Nations Unies et représentant suppléant auprès du Conseil de sécurité (23 février-).
James J. Wadsworth, Deputy Representative of United States to United Nations and Deputy Representative on Security Council, (February 23-)

accurate to express satisfaction that "the first effort under the auspices of an international organization to *repel armed aggression* by collective military measures has been successful". There were, however, several changes in the text of the draft resolution naming the United Nations side to the political conference including the addition of Canada to the invitation list. In my immediately following message I am sending you the revised text of this resolution.

2. The chief point at issue remains the establishment of a common front among the United States, United Kingdom and France, concerning an invitation to India and the USSR to participate in the political conference. I said again that a resolution naming only the United Nations team and taking a strict interpretation of Article 60 of the armistice agreement was not the type of resolution Canada had been hoping for. We had looked for a single resolution naming those who should be invited to the political conference, including India and the USSR I had, I said, no authority at present to accept a resolution of the type under discussion and would have to reserve my position.

3. Selwyn Lloyd then explained that although the United Kingdom position had initially been the same as ours, he could now, under new instructions he had just received, agree to the resolution proposed, on condition that it was understood that separate resolutions would be submitted to the Assembly proposing the USSR and India at about the same time as the allied resolution was submitted, and that the United States, France and United Kingdom would vote for the separate invitations to India and the USSR Munro (New Zealand) and Schumann (France) supported Lloyd but subsequent efforts to pin down Lodge as to how he might vote on separate invitations to the USSR and India were unavailing. Although he did not this time say that he would be bound to oppose such resolutions, and said he would have no objection to seeing the Soviet Union at the conference on the Communist side, he did, however, repeat that the United States could not sponsor them.

4. From what Lloyd said, I gather that the Foreign Office are still hoping that the USSR might be included in the initial resolution and are wondering whether it would be possible to reduce the size of the political conference. However, Lloyd intimated that he thought he could secure the agreement of his government to the proposition described in the previous paragraph.

5. As regards the order in which the two resolutions we were considering should be submitted, it was generally agreed on the suggestion of Lloyd that the resolution saluting the heroism of United Nations soldiers should not be submitted until towards the end of the resumed session when we had the resolutions concerning the political conference out of the way. Otherwise he thought the historical references at the beginning of the "saluting" resolution would create needless controversy which might sour the session from the outset and interfere with our main business which was to set up the United Nations side of the political conference.

6. When we meet again at 11 a.m. on Saturday morning, August 15, Lodge hopes that as many of the 16 delegations as possible will be in a position to agree to co-sponsor. As others pointed out to him, however, until agreement is reached among the United States, United Kingdom and French delegations some delegations' sponsorship may be conditional on the establishment of a common front, but our im-

pression is that if a common front along the lines proposed by Lloyd is achieved, all delegations represented will in the end agree to co-sponsor although the Belgian representative to-day was doubtful. Brazil and one or two other geographically representative countries not having forces in Korea may be asked to join in sponsoring the "saluting" resolution.

7. The points which will be further discussed on Saturday morning are:

(a) Sponsorship;

(b) Method of inviting USSR and India separately (who will sponsor these resolutions and who will vote for them);

(c) Whether we wish to follow the language of the General Assembly resolution of February 1, 1951 in adding to paragraph 2 the words "by peaceful means" thus indicating explicitly (as Kyrou of Greece and Schumann would prefer) that the United Nations would not undertake to enforce unification of Korea by other than peaceful means, (Lodge was against the addition because he would prefer "to keep the Chinese guessing". Turning to the French, he said that if the United Nations were to declare it would not try to unify Korea by force, the Chinese would be free to move their forces to Indo-China);

(d) Whether or not UNKRA should be explicitly mentioned in Paragraph 6 which as you will see has been added to cover the Assembly's relief and rehabilitation programme;

(e) How the political conference might be financed (paragraph 5 (iii). Lodge suggested that the costs might be shared among the participants in the conference rather than paid from the United Nations budget in the event that the conference is serviced by the Secretariat to the extent feasible while the Assembly is going on);

(f) How the political conference should be related to the United Nations (the present wording of paragraph 5 (iv) leaves it deliberately vague as to whom the United Nations team should report — Secretary-General, President or Assembly. Lodge does not wish a resolution to invite *all* members of the political conference to report — presumably the "other side" would be free to do so if they wished.)

134. DEA/50069-A-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations to Secretary of State for External Affairs

TELEGRAM 533 New York, August 13, 1953

CONFIDENTIAL. IMMEDIATE.

RESUMED SESSION — KOREA

Reference: My immediately preceding message, 531.
Repeat Washington No. 375.

Following is text as amended at our meeting today (August 13) of draft resolution setting up the United Nations side of the political conference, Text begins:

DRAFT RESOLUTION

Implementation of paragraph 60. Korean Armistice Agreement

The General Assembly

Notes with approval the Armistice Agreement concluded in Korea on July 27, 1953, and transmitted in the report of the Unified Command dated August 7, 1953, which confirms that the fighting has come to a halt, and that a major step has thus been taken towards the full restoration of international peace and security in the area.

2. Reaffirms that the objectives of the United Nations remain the establishment of a unified, independent, and democratic Korea under a representative form of government and the full restoration of international peace and security in the area.

3. Notes the recommendation contained in the Armistice Agreement that "in order to insure the peaceful settlement of the Korean question, the Military Commanders of both sides hereby recommend to the governments and authorities of the countries concerned on both sides, that, within three (3) months after the Armistice Agreement is signed and becomes effective, a political conference of a higher level of both sides be held by representatives appointed respectively to settle through negotiation the questions of the withdrawal of all foreign forces from Korea, the peaceful settlement of the Korean question, etc."

4. Welcomes the holding of such a conference.

5. Recommends that:

(I) The side contributing armed forces under the Unified Command in Korea shall have as participants in the conference the following countries: Australia, Canada, Colombia, France, Philippines, Thailand, Turkey, the United Kingdom, and the United States together with the Republic of Korea. These governments shall act independently with full freedom of action and shall be bound as governments only by decisions or agreement to which they adhere.

(II) The United States, after consultation with the other countries named in paragraph (I) above, shall arrange with the other side for the political conference to be held as soon as possible but not later than October 28, 1953 at a place and on a date satisfactory to both sides.

(III) The Secretary General shall, if this is agreeable to both sides, provide the political conference with such services and facilities as may be feasible.

(IV) The governments named in paragraph (I) shall inform the United Nations when agreement is reached and keep the United Nations informed at other appropriate times.

6. Reaffirms its intention to carry out its programme for relief and rehabilitation in Korea, and appeals to all member governments to contribute to this task. Text ends.

135. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 1 New York, August 14, 1953

CONFIDENTIAL

RESUMED SESSION — KOREA

Reference: Our telegram (Perm Del) No. 528 of August 13.†
Repeat Washington No. 1.

Following from Johnson, Begins: When I discussed the United States draft resolution setting up the political conference with Mr. Pearson yesterday evening, he thought that we should support the Greek and French proposal to include in paragraph 2 of the resolution the words "by peaceful means". Ends.

136. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 2 New York, August 14, 1953

SECRET. IMMEDIATE.

Following from the Minister, Begins: This morning I saw in succession Lloyd, Lodge and Schumann. Lloyd outlined the history of the difficulties with the Americans over the Korean resolution and was deeply disturbed that following Lodge's press conference these differences had been highlighted and exposed in the press (see today's New York Times). Since some progress had been made in recent meetings towards improving the original United States draft resolution, it was particularly unfortunate that the "beans had been spilled". Fundamentally, the United Kingdom view is similar to ours and Lloyd agreed with my following comments on the draft resolution dealing with the political conference.

(1) That the "two sides" concept should be avoided if at all possible;

(2) That the political conference, if it is to have any chance of success, must include the USSR and India in addition to the states mentioned in the draft resolution and that it would be preferable to spell out the participant states in the same resolution;

(3) That paragraph 5 of the draft resolution, as it now stands, is anomalous because while it is based on the "two sides" concept, it limits membership to selected United Nations belligerents, whereas we have always held to the view that the Unified Command represents the interests of the United Nations as a whole; and also because having named the United Nations "team", it then proceeds in its last sentence to spell out the fact that each member shall act independently.

(4) That to meet the difficulties set forth above, it would be preferable to use some such language in paragraph 5 as, for example, that the conference shall include from the list of governments with armed forces under Unified Command in Korea, the following: "(States would then be listed by name), and in separate paragraph, but in the same resolution, to deal with special position of India and USSR".

2. In view of United States opposition to this approach, Lloyd had come round to the view that it was necessary to proceed on the broad lines of the present draft resolution, latest text of which has been sent to you by delegation, and to deal with position of India and the USSR in two separate resolutions. He made it clear that the United Kingdom would be prepared to sponsor and support India's participation, and would vote for a resolution providing for inclusion of USSR.

3. When I saw Lodge, who was accompanied by Wadsworth, he made it clear that the United States Delegation attaches fundamental importance to the following propositions:

(1) That the conference should be a "two sides" conference in accordance with Article 60 of the Armistice Agreement, and not a round table conference;

(2) That each of the United Nations countries who had contributed forces to Korea had "brought its ticket" to the conference, and that the United Nations slate should be selected from their membership: The General Assembly had no responsibility for the "other side";

(3) That the conference should deal with Korea only and should not allow itself to become cluttered up with extraneous subjects and should not become a "glorified Panmunjom".

(4) That each state should act independently and retain its freedom of action (this was a point to which Congress would attach real importance);

(5) That the participation of South Korea was vital to the success of the conference;

(6) That if the Assembly were to propose action on fundamentally different lines, the United States would have to reserve its position.

4. I went over with Lodge the points I had mentioned to Lloyd, and I emphasized that we would have preferred to see a single resolution naming the states principally concerned and stressed in particular the importance which we attached to including India and the USSR. In the course of our discussion it became clear that the present attitude of the United States delegation is due to two main factors: (1) The influence and attitude of Syngman Rhee, and (2) the Administration's estimate of Congressional and public opinion here. Lodge referred to his recent visit to Korea and to the recalcitrance of Rhee. He indicated privately that the ROK Government put India "in the same category" as Communist China, and he said that the United States could not afford, by supporting India, to risk a fundamental break with Rhee. If India were to be included in the Conference and supported by the United States, he thought we might be faced with a choice between having South Korea or India at the conference table. He also emphasized India's "neutral" position as Chairman of the Neutral Nations Supervisory Commission, and took the view that it would be invidious for the United States to choose as between "neutrals". Why, for example, did we prefer India to Indonesia? To this I, of course, replied that India could play a greater role in a peaceful settlement in Korea and in the Far East generally. Lodge did not think that it would be too important if there should be disagreement between the United States and the rest of us over Indian participation. Presumably, therefore, on a separate resolution providing for Indian participation the United States would probably abstain.

5. So far as the USSR was concerned, and this I think is of some importance, Lodge did not dismiss the possibility of working out a satisfactory formula. He agreed that it would be necessary to have the Soviet Union at the conference, but saw no need to "roll out the red carpet". A resolution might be drafted providing for Soviet participation as "a member of the other side", or possibly using some such language as "if the other side so desires".

6. I gave Schumann a general idea of the lines of my talks with Lloyd and Lodge. The French views are very similar to our own, but being realists, they see the problems which Rhee has created for the Americans, and are prepared to go along

with the idea of separate resolutions. They would not sponsor, but would support Indian participation, and would hope that it would not be necessary for any of the great powers to sponsor the invitation to the Soviet Union, but would all agree to vote in favour of such participation. While the French envisage that the Political Conference will deal specifically with Korea, Schumann said that they hoped that the Conference would provide for informal contact between interested governments on other problems, notably Indo-China.

7. On locations, it was clear from Lodge's comments that Rhee's views would also carry a good deal of weight with the United States delegation. He would not favour Colombo, or New Delhi, for example, and might even take exception to Geneva, although it is probable that they could be persuaded if there is general agreement on the latter location. Lodge was inclined to favour New York, but as you will see from the draft resolution the question of location has been left for discussion with the other side, the United States acting as intermediary.

8. The danger that I foresee in all this is that although we can make more progress through the procedural arrangement of separate resolutions to provide for the participation of India and the USSR, as is clearly required by the circumstances, Vishinsky may very well produce a single resolution with an unexceptionable list of states which many in the Assembly might be inclined to support. There is further danger that if the Indians cannot be assured of support for their inclusion from both sides, they may decide that they do not wish to play at all.

9. A further meeting of the states with forces in Korea will be held tomorrow morning and a further report will follow. Ends.

137. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 3 New York, August 15, 1953

CONFIDENTIAL. IMPORTANT.

RESUMED SESSION — KOREA

Reference: Permanent Delegation telegram No. 531 of August 13 and our telegram No. 2 of August 14.

Repeat Washington No. 2.

Following from Johnson, Begins: After the meeting this morning of delegations with forces in Korea, the situation is the same only more so. There is still no agreement as to a formula for inviting India and partly for this reason the sponsorship of the resolution inviting the United Nations side of the Political Conference has not yet been agreed. At the same time there is still so much uncertainty as to which additional United Nations belligerents may wish to take part in the Political Conference that we have had to resort to omitting the names of the participants from our resolution altogether, in order to have any chance of tabling a resolution tomorrow afternoon after a further meeting of our group which we are to have at 3.30 p.m.

Tactics

2. As a result of much burning of the midnight oil last night among the United States, United Kingdom and French delegates, some progress has been made towards establishing a common front, but it is not yet achieved. Agreement was reached among the three and confirmed among the fifteen to-day that we had to submit some resolution as soon as possible supported by all of us, that we should, if possible, agree on having some of the sixteen sponsor a separate resolution inviting the USSR and submit this resolution at the same time as our general resolution concerning the Political Conference. The earliest that the outstanding questions of tactics, composition and sponsorship can be decided is tomorrow afternoon.

3. The main accomplishment so far is that there is agreement that the United States, United Kingdom and France will vote *for* (but not sponsor) a resolution inviting the USSR, but there is no such agreement as regards India. In a separate message I am reporting the vigorous views expressed by Lodge on India. Briefly, he thought that if India were invited it would torpedo the Political Conference because Rhee would not attend. Despite United States opposition to an invitation to India, the United Kingdom and ourselves are at present holding out for sponsoring a separate invitation to India, leaving it to the Indians to withdraw if, as Menon has indicated to Lodge, they feel they could play no useful role unless they were invited by both sides.

Invitation to USSR

4. Although reserving the United Kingdom position because of the Indian difficulty, Lloyd pretty well agreed at the meeting this morning to accept the following form of words inviting the USSR: "The General Assembly, having adopted the resolution on the implementation of Article 60 of the Armistice Agreement, recommends that the USSR participate in the Korean Political Conference, provided the other side desires it". Lloyd tried hard to get Lodge and others to say "provided the other side *agrees*" but he did not get much support except from ourselves after Lodge had made it clear that this was further than the United States, for domestic political reasons, was prepared to go. He even added that he was not prepared to admit that you could not have a successful conference without the USSR — an attitude which most of the rest of us considered unrealistic. In answer to an enquiry, Lloyd disclosed that Vishinsky had told him yesterday that in his opinion the USSR should take part in the Political Conference but he was without instructions.

5. Although no final decisions were taken, Spender (Australia) said he would sponsor the resolution inviting the USSR, either alone or with such others from among the sixteen as wished to join him. I had said earlier that Canada would consider sponsorship in company but not alone. I expect that by tomorrow New Zealand and probably the Netherlands and one or two others will have instructions to co-sponsor.

Composition of the United Nations Side

6. The other major snag we encountered this morning was that now that ten of the sixteen United Nations belligerents have decided they wish to take part in the Political Conference, the other six are having second thoughts. The Belgian and Netherlands governments now definitely wish to be included, New Zealand and Greece have reserved their position and only South Africa (and presumably Luxembourg who has not been represented here) are still content to stay out.

7. Spender and Lloyd and others expressed grave misgivings at the prospect of such a large United Nations team. Lloyd thought it "a lot of queer countries" and pleaded for a self-denying ordinance on the part of the countries we represented. Lodge did not take the increasing size of the United Nations team so seriously, as he interpreted the Armistice Agreement to mean that only belligerents or those acceptable to both sides would attend. I pointed out that Canada had been quite content to be excluded if, as we still thought highly desirable, the conference were to be kept small. We would not press our claim if the United Nations side were to be confined to the United States, United Kingdom, France, South Korea and perhaps one or two others. Spender then reacted by asserting that Australia's claim was "second to none".

Sponsorship of the Main Resolution

8. Although most of the delegations represented this morning were prepared to co-sponsor the general resolution concerning the Political Conference, the Commonwealth delegations clearly preferred not to agree to co-sponsor until they had secured the best assurances they could get from the United States concerning the invitations to the USSR and India. Ends.

138. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 4 New York, August 15, 1953

CONFIDENTIAL

RESUMED SESSION — KOREA

Reference: My immediately preceding telegram.
Repeat Washington No. 3.

Following from Johnson, Begins: The following changes were made at this morning's meeting of the 15 allied delegations in the draft resolution forwarded with our telegram No. 533 of August 13 concerning the Political Conference.

(a) In paragraph 1 the reference to the Unified Command's report is being transferred to the preamble of the "saluting" resolution, the text of which was sent to you with our telegram No. 526 of August 13 and which otherwise is substantially unchanged. This was done because Lloyd wanted to remove from the resolution on the Political Conference a reference which might be controversial.

(b) In paragraph 1 we now say "the fighting has *ceased* " rather than "come to a halt".

(c) In paragraph 2 the words "achievement by peaceful means" have been added in place of the word "establishment".

(d) For paragraph 5 (1) the following has been substituted and consequential changes made in paragraphs 5 (2) and 5 (4): Quote:

(1) The side contributing armed forces under the Unified Command in Korea shall have as participants in the Conference those among the member states contributing forces which desire to be represented, together with the Republic of Korea. The participating governments shall act independently at the Conference with full freedom of action and shall be bound only by decisions or agreements to which they adhere. Unquote. Ends.

139. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 5 New York, August 15, 1953

CONFIDENTIAL. IMPORTANT.

KOREAN POLITICAL CONFERENCE — INVITATION TO INDIA

Reference: Our telegram No. 3 of August 15.
Repeat Washington No. 4.

Following from Johnson, Begins: After Lloyd had told our group of 15 delegations this morning that the United Kingdom would sponsor a resolution recommending Indian participation in the Political Conference, Lodge put the contrary view more strongly than we had previously heard expressed. After "most arduous and exhausting negotiation" with Rhee, Lodge said he was convinced that if we were to invite India to the Political Conference Rhee would not come. He urged us not to "torpedo" the conference by insisting on an invitation to India. Rhee, he said, was for the moment in a very powerful position and if we wanted to discuss Korean political questions with the Communists at all we could not ignore him. A broader discussion of Far Eastern matters generally, in which India would have every right to participate, could take place later, but at the Korean conference Rhee's views had to be considered if there was to be a conference.

2. The United States had no objection to India as such, Lodge said, but because of the realities of the Korean situation and because of India's role as Chairman of the Repatriation Commission, he thought that India was the wrong choice for the Political Conference, that if a neutral was desired Brazil would better fill the bill, but he was doubtful about the wisdom of opening the door to any non-belligerent, since it would then be more difficult to close the door to Communist satellites who had no business at the conference under Article 60.

3. Mr. Martin said, after further discussion, that while he appreciated the reasons for the United States' position, Canada attached the greatest importance to India's role in Asian affairs; we did not see how we could get a lasting peace in Asia without Indian participation in the Political Conference. He therefore hoped that the issue would not be decided this morning on the basis of this brief discussion, although he did not dispute the importance of the question to Rhee.

4. Lloyd expressed the personal opinion that although India would probably not press her claim if she knew the United States were going to vote against inviting her, she might serve on the conference if the United States abstained.

5. Lloyd concluded by saying that he did not want to give neutrals the opportunity to propose India but hoped that agreement on some basis could be worked out in time to enable us to keep the initiative by proposing India first.

6. As matters stand at present a resolution to invite India would probably be sponsored by the United Kingdom and Canada and one or two other countries from among the 15. Ends.

140. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 6 New York, August 17, 1953

IMMEDIATE

KOREA — RESUMED SESSION

Repeat Washington No. 5.

The following are the texts of 4 draft resolutions considered at the meeting of 16 and tabled last night.

2. The text of the main resolution implementing Article 60 of the Korean Armistice Agreement reads as follows, Text begins:

Implementation of paragraph 60, Korean Armistice Agreement

The General Assembly:

Notes with approval the Armistice Agreement concluded in Korea on July 27, 1953, the fact that the fighting has ceased, and that a major step has thus been taken towards the full restoration of international peace and security in the area.

2. Reaffirms that the objectives of the United Nations remain the achievement by peaceful means of a unified, independent, and democratic Korea under a representative form of government and the full restoration of international peace and security in the area.

3. Notes the recommendation contained in the Armistice Agreement that "in order to insure the peaceful settlement of the Korean question, the Military Commanders of both sides hereby recommend to the governments of the countries concerned on both sides, that, within three months after the Armistice Agreement is signed and becomes effective, a Political Conference of a higher level of both sides be held by representatives appointed respectively to settle through negotiation the questions of the withdrawal of all foreign forces from Korea, the peaceful settlement of the Korean question, etc."

4. Welcomes the holding of such a conference.

5. Recommends that:

(a) The side contributing armed forces under the Unified Command in Korea shall have as participants in the conference those among the member states contributing armed forces which desire to be represented, together with the Republic of Korea. The participating governments shall act independently at the conference

with full freedom of action and shall be bound only by decisions or agreements to which they adhere.

(b) The United States Government, after consultation with the other participating countries referred to in paragraph (a) above, shall arrange with the other side for the Political Conference to be held as soon as possible but not later than October 28, 1953 at a place and on a date satisfactory to both sides.

(c) The Secretary General of the United Nations shall, if this is agreeable to both sides, provide the Political Conference with such services and facilities as may be feasible.

(d) The member states participating pursuant to paragraph (a) shall inform the United Nations when agreement is reached at the conference and keep the United Nations informed at other appropriate times.

6. Reaffirms its intention to carry out its programme for relief and rehabilitation in Korea, and appeals to all member governments to contribute to this task. Text ends.

All countries with forces in Korea will sponsor this resolution except South Africa, which had no instructions, and Luxembourg which was not present.

3. Following is text of resolution providing for the participation of USSR, Text begins:

The General Assembly

Having adopted the resolution entitled "Implementation of paragraph 60, Korean Armistice Agreement."

Recommends that the Union of the Soviet Socialist Republics participate in the Korean Political Conference provided the other side desires it. Text ends.

Australia and New Zealand will sponsor.

4. The following is text of resolution providing for participation in [sic] India, Text begins:

The General Assembly

Having adopted the resolution entitled "Implementation of paragraph 60, Korean Armistice Agreement,"

Recommends that India participate in the Korean Political Conference. Text ends.

United Kingdom, Australia, Canada and New Zealand will sponsor.

5. Following is text of draft resolution paying tribute to soldiers who fought against aggression, Text begins:

The General Assembly

Recalling the resolutions of the Security Council of June 25, June 27, and July 7, 1950 and the resolutions of the General Assembly of October 7, 1950, December 1, 1950, February 1, 1951, May 18, 1951 and December 3, 1952,

Having received the report of the Unified Command dated August 7, 1953,

Noting with profound satisfaction that fighting has now ceased in Korea on the basis of an honourable armistice,

I) Salutes the heroic soldiers of the Republic of Korea and of all those countries which sent armed forces to her assistance;

II) Pays tribute to all those who died in resisting aggression and thus in upholding the cause of freedom and peace;

III) Expresses its satisfaction that the first effort under the auspices of the United Nations to repel armed aggression by collective military measures has been successful, and expresses its firm conviction that this proof of the effectiveness of collective security under the United Nations charter will contribute to the maintenance of international peace and security. Text ends.

This resolution will have the same sponsorship as resolution mentioned in paragraph 2 above.

6. A report on yesterday's meeting of the 16 powers will go forward this morning. Ends.

141. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 7 New York, August 17, 1953

CONFIDENTIAL. IMMEDIATE.

KOREA — RESUMED SESSION

Reference: Our telegram No. 6 of August 17.

Repeat Washington No. 6.

Following from Johnson, Begins: At the meeting of the fifteen delegations yesterday afternoon August 16 we did, as you will have seen, reach agreement on the texts of the resolutions concerning the Political Conference and the tribute to the dead. We did not, however, reach agreement concerning the invitations to the USSR and India.

2. As regards the invitation to the USSR, the resolution has been tabled as a recommendation of Soviet participation "if the other side desires it". The United States, United Kingdom and France will vote for this resolution but will be free to interpret it as they wish in their statements. Only Australia and New Zealand are at present sponsoring the resolution. The Netherlands might sponsor if an additional sponsor or sponsors can be found, preferably from outside the Commonwealth. The others of the sixteen will also vote for the resolution with the exception of Thailand, Ethiopia, South Africa and Belgium which have as yet no instructions. The Thai representative said that failing instructions he would vote against the invitation to the USSR.

3. Most of the discussion yesterday was about the invitation to India. To what he had said at the previous meeting about Korean opposition to India, Lodge added

yesterday that if Rhee did not participate in the conference (because of India being invited), the United States would have to reconsider its participation. He said he did not see much point in going to a conference on Korea unless the unquestioned leader of Korea, whose co-operation would be essential in order to implement any decision of the conference, was represented.

4. Mr. Martin pointed out that Rhee has taken determined stands before and has been persuaded to be reasonable — for example, Rhee's attitude to the armistice. He added that he did not see how Rhee could be given a veto in these matters and very much hoped that pressure and influence could be brought to bear on Rhee to induce a change of attitude — sentiments which were echoed by Sir Percy Spender.

5. Lodge said emphatically that the United States had by the greatest efforts prevailed on Rhee once but could not do it again. "We have nothing left to give him. Has anyone else?" he said.

6. Lloyd thought that the fact that India would withdraw her name if she saw that her participation would wreck the conference was a safeguard, and that rather than let control of the Indian invitation pass to others, it was better to sponsor her ourselves. For this reason the United Kingdom delegation would do so alone or with others if they wished to join.

7. Munro of New Zealand had definite instructions to co-sponsor the invitation to India. This placed the Australians and ourselves in a difficult position, not wanting to be, as Spender said, "the last man out". Spender was under instructions to co-sponsor if New Zealand did and as a result the Indian resolution recommending that India "participate in the conference" is sponsored by the United Kingdom, New Zealand, Australia and Canada. The Minister would, in many ways, have preferred that we sponsor both the USSR and India or neither. As we had decided not to sponsor the USSR, he would have been content, as would Lloyd, to have had the United Kingdom sponsor India alone. Because of the New Zealand and Australian delegations' instructions, however, and the lack of time for further consultations, we had very little choice. Ends.

142. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 8 New York, August 17, 1953

CONFIDENTIAL

KOREA — RESUMED SESSION

Repeat Washington No. 7.

1. There was a meeting of all Commonwealth representatives (except South Africa) this morning. Mr. Lloyd presided.

2. There was a brief discussion about the procedure to be followed this afternoon. The hope this afternoon is that the President will be able to make a short statement and then refer to the First Committee the various resolutions already tabled and have the discussion there as an extension of the Korean discussion in the earlier part of this Assembly. This will avoid raising the question of South Korean observers. They are entitled to be present under the Korean item but not under any other item.

3. The main interest of the meeting was, however, a report which Krishna Menon gave to the meeting of Indian approaches to Peking.

4. In substance Krishna Menon said as follows:

(a) The Peking Regime had informed the Indians that they wished the Political Conference to take the form of a round-table conference. They spoke in favour of a conference consisting of the following eleven countries: the United Kingdom, the United States, France, the Soviet Union, Communist China, Burma, Poland, Sweden, India, North Korea and South Korea. According to Menon, the Chinese position is not so rigid that they would not accept variations to the list.

(b) The Chinese were prepared to have the United Nations set up the conference along these lines.

(c) They also made the point that the conference should confine its deliberations to the two clear points of Article 60, namely the withdrawal of foreign troops from Korea and the peaceful settlement of the Korean question.

(d) The Chinese informed the Indians that their attitude concerning the above points should not be construed as stemming from weakness.

(e) The Chinese have also, according to Menon, informed representatives of the Soviet Union, and of Sweden and Switzerland, of their views on the Political Conference.

(f) Concerning the place of the Conference, the Chinese have expressed a preference for New Delhi. However, according to Menon, it would embarrass India if the Conference were held in New Delhi because of the lack of proper facilities there and because of Syngman Rhee's opposition. The Chinese will be told that the Indian preference for the location of the Conference is not New Delhi.

5. Menon said he was agreeably surprised that the Chinese had reacted so favourably. He added that the Indian position was that the three resolutions which have been tabled were not inconsistent with the Chinese proposals, and that the Chinese would be so informed. Selwyn Lloyd requested that the Indians, in commuting with Peking, make it clear that the three draft resolutions had been tabled before the Chinese views had been received. Menon agreed.

143. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 9 New York, August 17, 1953

RESUMED SESSION ON KOREA — OPENING

Reference: Our telegram No. 7 of August 17.
Repeat Washington No. 8.

1. The Seventh General Assembly resumed its work this afternoon in a session lasting ten minutes, and confined to the opening statement of the President. He pointed out that by resolution of April 18 the Assembly had agreed to reconvene after the conclusion of an armistice, to resume consideration of the Korean question which had been under discussion as Item 16 of our agenda. He explained that under normal procedure the Political Committee would therefore meet to consider the Korean question and he proposed to invite the Chairman to call his Committee together tomorrow morning.

2. As there was no disagreement, it was so decided.

144. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 10 New York, August 17, 1953

CONFIDENTIAL

KOREA — RESUMED SESSION

Reference: My telegram No. 7 of August 17.
Repeat Washington No. 9.

Following from Johnson, Begins: I can now amplify what I said in the final paragraph of my telegram under reference about the Minister's views concerning Canadian sponsorship for the resolution inviting India and the USSR to participate in the Political Conference.

2. After Mr. Martin had discussed our possible sponsorship of the invitation to the USSR with the Minister on Saturday, they agreed that although we should support the invitation the equivocal wording adopted gave us grounds for withdrawing our previous tentative offers to sponsor this resolution. They thought that the addition of the proviso that the USSR should only participate "if the other side desires it" was likely to be misunderstood and cause difficulties, the more so as the word-

ing of the recommendation concerning India was to omit this proviso. They were also concerned by the evident lack of enthusiasm for the invitation to the USSR displayed in the meetings of the 16 and the fact that no non-Commonwealth country had volunteered to co-sponsor the invitation. For these reasons Canada did not co-sponsor.

3. Our sponsorship of the Indian resolution nevertheless seemed desirable in view of the circumstances described in my telegram under reference. Ends.

145. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 19 New York, August 19, 1953

CONFIDENTIAL

RESUMED SESSION — KOREA

Reference: Our teletypes No. 16† and No. 18† of August 19.
Repeat Washington No. 18.

The debate on the setting up of the Korean political conference continued this afternoon with statements by the representatives of Canada, USSR and Thailand. After the Canadian statement[47] (our teletypes under reference) Mr. Vishinsky made his first major statement of the Soviet position at the resumed session. He first of all made a routine attempt to show that the Soviet Government had from the beginning tried to stop the Korean war although supporting what he called the forces of peace in the struggle for freedom for the Korean people against the "interventionists".

2. He then went on to place responsibility for the delays in the signing of the armistice on Syngman Rhee, whose actions had been tolerated by the United States. The mutual defence treaty concluded between the United States and Rhee he regarded as "contradictory" to the pledge made by the United States in signing the armistice to try to secure agreement on the withdrawal of all foreign forces from Korea. The treaty was "a serious link in the chain of United States expansionist policy".

3. As regards the composition of the conference, he considered the idea of two sides "erroneous". Neighbours of Korea with a direct interest in the area should attend, and nothing in paragraph 60 denied the right of the Assembly to invite non-belligerents. He saw Western tactics in submitting 3 resolutions on the same subject as an attempt to create the semblance of unity on the main resolution. The 15-

[47] Voir L'hon. Paul Martin:/See Hon. Paul Martin:
"Canadian Position on Korea", Political Committee, General Assembly of the United Nations, August 19, 1953. Department of External Affairs, *Statements and Speeches*, 53/34.

power resolution cannot, he said, serve as a basis for a decision on the composition of the conference nor can the conference succeed unless based on the round table principle.

4. Lodge made an immediate reply which although rough was quite effective. He pointed out that it was General Nam Il who had insisted on paragraph 60 and the concept of a conference consisting of belligerents on both sides. If neighbourliness was to be a criterion of membership, what about the Chinese Nationalists and Japan? If so, where do we stop?

5. As regards the United States treaty with Korea, Lodge asserted that there was no secret agreement with Rhee and that under the terms of the treaty which Dulles had signed the United States was not required to keep troops in Korea but merely had the option to do so.

6. The Soviet resolution Lodge attacked as discriminatory, as it divided participants in the conference into first and second class, giving the first class seat to the Chinese and a second class ticket to the South Koreans, inasmuch as the consent of the latter was not required for decisions to be binding. He also pointed out that 13 of the belligerents were omitted from the Soviet invitation list.

7. Although he clearly indicated his opposition to the 15-power resolution setting up the political conference, Vishinsky did not declare his attitude to the 3 resolution package the Commonwealth delegations are supporting. His tone was mild and he seemed to leave the way open for agreement on the basis of an invitation to India and the USSR as well as those mentioned in the 15-power resolution. At least he did not close the door today.

146. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 21 New York, August 20, 1953

CONFIDENTIAL. IMPORTANT.

RESUMED SESSION — KOREA — INDIAN RESOLUTION

Reference: Our telegram No. 19 of August 19.
Repeat Washington No. 19.

Following from Johnson, Begins: For several days it has been pretty obvious that Krishna Menon has been looking for a way in which he could once again come forward with a proposal to bridge the gap between the views of the opposing sides concerning the composition and character of the political conference. He has, however, been dissuaded, at least up to now, (chiefly by ourselves and the United Kingdom delegation) from attempting to introduce any compromise resolution on substance. As we have pointed out to him, the position is hardly comparable to that

faced by the Assembly last fall. Then there were differences of principle dividing both sides but today there is no reason, in our view, why the Chinese Communists and North Koreans should not agree to the kind of political conference we have in mind, assuming that the USSR and preferably India, are included.

2. At a meeting of the Commonwealth delegates this morning Menon explained that he was now thinking of a procedural resolution which he hoped would make it easier for the Chinese to agree to approximately what we had in mind. He thought it was important that the Assembly should not simply vote the Western resolutions and have them sent on to the Chinese with only the time and place of the conference to be discussed. Since the Chinese have not been represented here, Menon thought that any appearance of an ultimatum should be avoided and for this reason proposed to submit a resolution asking the Secretary General to transmit the Assembly's proposals to the Chinese and North Koreans and report back to the Assembly as appropriate. The text of the draft resolution he gave us this afternoon is given in my immediately following message. He said he proposed to submit the resolution at the end of this afternoon's session.

3. At the Commonwealth meeting this morning, Sir Percy Spender and Mr. Martin both urged Mr. Menon to avoid a procedure which would open the door for Chinese counter-proposals and commit the Assembly to considering them. Mr. Martin pointed out to Menon that if the eighth session of the Assembly were postponed until October 1 — and there has been some talk of this in the last few days — it might very well mean a delay in calling the political conference. Spender went further and took virtually the United States position that under the resolutions of our side further negotiations with the Chinese should be carried on by the sixteen represented by the United States. Certainly the United States will not be happy with Menon's resolution, but as a means of keeping the Assembly in the picture it may serve the purpose, and at the same time satisfy Menon's desire to play some conciliatory role. Ends.

147. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 22 New York, August 20, 1953

RESTRICTED. IMPORTANT.

RESUMED SESSION — KOREA

Reference: Our teletype No. 21 of August 20, 1953.
Repeat Washington No. 20.

Following is text of Indian draft resolution, Text begins: The General Assembly requests the Secretary-General to communicate the proposals on the Korean question submitted to the third part of the seventh session and recommended by it, to-

gether with the record of the relevant proceedings of the General Assembly, to the Central Peoples' Government of the Peoples' Republic of China and to the Government of the Peoples' Democratic Republic of Korea, and to report to the General Assembly as appropriate. Text ends.

148. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 23 New York, August 20, 1953

CONFIDENTIAL

RESUMED SESSION — KOREA — INDIAN INVITATION

Reference: Our teletypes No. 21 and No. 22 of August 20.
Repeat Washington No. 21.

Following from Johnson, Begins: After a fairly extensive canvassing of how other delegations will vote on the invitation to India to participate in the Korean political conference, I should think India would secure a majority of votes in committee but may fail to get the ⅔ majority which would probably be required in plenary. According to Indian delegation estimates, they will get about 35 votes in favour, 10 against and the rest abstaining. From our own soundings I think the United States estimate of about 30 in favour, 18 against, and the rest abstaining may be closer the mark. It largely depends on how strongly the United States delegation will urge its views upon its Latin American friends who are at present divided into three almost equal groups — for, against and abstaining.

2. In addition to the Commonwealth (with the exception of South Africa and possibly Pakistan), the Scandinavian countries, the Netherlands, France, Luxembourg, Yugoslavia, Israel, the Soviet bloc, the Arabs and the Asians (with the exception of the Philippines and Thailand) will all support India, in addition to five or six Latins. The United States, Greece, Turkey, Thailand, South Africa and eight or nine Latins will probably vote against India. The others will abstain.

3. We have been seeking clarification from the Indian delegation as to the interpretation of Prime Minister Nehru's statement of August 17. The Indian delegation are taking the line that Mr. Nehru did not imply that if the United States voted against them (as they will) India would withdraw. They pointed out that the Prime Minister said "the major *parties* concerned" and not "the major countries" and that in the complete text of his statement he made it clear in the previous paragraph that by "parties" he meant the United Nations Assembly representing the United Nations Command, as one party, and the other side as the other. Therefore, Menon is assuming that India will withdraw from the race only if she fails to get a ⅔ majority in the Assembly or if the other side do not wish her to come. This seems to me to

ignore Nehru's exact language, because if he had in mind only the two sides I do not see why he would have used the words "*major* parties concerned".

4. The United Kingdom, France and some other delegations supporting India are not actively canvassing for India and would indeed be satisfied to see the Assembly fail to give India a ⅔ vote in view of the acute difficulties which would then arise with Rhee. Ends.

149. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 28 New York, August 21, 1953

CONFIDENTIAL

KOREA — RESUMED SESSION — INDIAN DRAFT RESOLUTION

Reference: My telegram No. 22 of August 20.
Repeat Washington No. 26.

1. The Indian draft resolution referred to in my telegram under reference was tabled today sponsored by Burma, India, Indonesia and Liberia. Some delegations, including the Americans, are not happy with this resolution but so far most delegations, including our own, have had time to consider it carefully. No doubt there will be discussions about it over the weekend or on Monday.

150. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 29 New York, August 22, 1953

CONFIDENTIAL

KOREA — RESUMED SESSION

Repeat Washington No. 27.

Following from Johnson, Begins: Mr. Martin told me about a talk he had yesterday afternoon with Krishna Menon. Three points emerged from this talk:

(a) Menon thought that India would win the vote on the resolution recommending its participation in the conference;

(b) Menon gave no indication that India would wish the resolution to be withdrawn before a vote is taken;

(c) Menon reported that he had received word yesterday that the Chinese Communists had said that they would not attend the political conference unless India also attended. (Mr. Martin asked me to add that he "does not place 100 percent value on this kind of a statement by Menon".) Ends.

151. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 34 New York, August 24, 1953

CONFIDENTIAL. IMPORTANT.

RESUMED SESSION — KOREA — INDIAN RESOLUTION

Reference: Our teletype No. 22 of August 20.
Repeat Washington No. 32.

1. As you know, the United States delegation are unhappy with the Indian resolution which has now been tabled with Burma, India, Indonesia and Liberia as co-sponsors. They do not want to encourage the Chinese to come back with counter proposals and they do not relish any further debate on this matter in the Assembly. To head off this resolution, they are now considering, according to Ward Allen,[48] either amending the Indian resolution or (more probably) inserting a paragraph in the fifteen-power resolution concerning the composition of the political conference.

2. The text of the very rough draft resolution which they might add to our fifteen-power resolution is as follows, Text begins: "Requests the Secretary-General to convey the text of the present resolution together with any other resolutions on the Korean question adopted at the resumed session of the General Assembly to the Central People's government of the People's Republic of China and the North Korean authorities, and to inform the members of the United Nations as appropriate". Text ends.

3. We may have a meeting of the sixteen tomorrow to discuss this matter further. So far the idea has been tried out on only two or three members of the sixteen. Jebb told me that he had been under instructions to accept the Indian resolution but has now asked for greater flexibility.

[48] Ward P. Allen, assistant spécial pour les Affaires des Nations Unies, Bureau des Affaires européennes, Département d'État des États-Unis.
Ward P. Allen, Special Assistant on United Nations Affairs, Bureau of European Affairs, Department of State of United States.

152. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 10 Ottawa, August 24, 1953

SECRET. IMMEDIATE.

KOREAN POLITICAL CONFERENCE

Repeat Washington No. EX-1457; London No. 1374; New Delhi No. 188; Canberra No. 96; Wellington No. 56.

Following from the Acting Under-Secretary, Begins: The Australian High Commissioner here has shown me copy of a telegram from Mr. Casey to Lord Salisbury, repeated to Australian Delegation New York as No. 263 from Canberra.† This message indicates Mr. Casey's growing concern regarding the idea that South Korea will not attend the conference if India participates. The message concludes by suggesting the possibility of a Commonwealth approach to Mr. Nehru urging him to withdraw India's candidature.

2. After he showed me this telegram I informed Sir Douglas Copland[49] that we had received no indication from you that our Delegation intended to withdraw our sponsorship of the resolution calling for Indian participation, or of altering our vote for this resolution. Moreover we had heard nothing previously regarding a possible joint démarche in New Delhi by the Commonwealth countries and we had no reason for thinking you would favour such action.

3. I added that, on the basis of information received, we thought there might be an element of bluff in the South Korean position as described by the United States — i.e. — that South Korea would not participate if India were invited. In view of this we did not regard the matter with quite the same seriousness as Mr. Casey apparently did. I emphasized to Copland that these views could only be considered as preliminary opinion on the official level and that I hoped I would have the opportunity of speaking to the Minister very shortly.

4. Meanwhile, the New Zealand High Commissioner's office here has informed us that, despite a US Aide Memoire on this subject, their position remains the same — namely support for Indian attendance at the Conference. Ends.

---

[49] Sir Douglas Copland, représentant de l'Australie à la huitième session de l'Assemblée générale des Nations Unies.
Sir Douglas Copland, Representative of Australia to Eighth Session of the General Assembly of the United Nations.

153. **DEA/50069-A-40**

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 36 New York, August 25, 1953

SECRET. IMMEDIATE.

KOREAN POLITICAL CONFERENCE

Reference: Your telegram No. 10.

Our position regarding the invitation to India remains unchanged, notwithstanding the pressure that is being brought to bear by the United States and the yielding to that pressure on the part of certain delegations. It would, I think, be well to repeat that position to the Australian High Commissioner in Ottawa, and also to any other interested government. We do not intend to withdraw from the sponsorship of the resolution recommending India for membership in the conference, nor do we wish to take any initiative, formally or informally, to suggest that the Indians might solve the problem by indicating that they do not now desire to attend the conference. It may be that the Indian Government will take such a position in view of developments here and, if so, we would not, of course, wish to discourage it. Such a withdrawal will have unfortunate implications so far as the conference itself is concerned in that it will underline Syngman Rhee's determination to dominate its proceedings, but it would undoubtedly solve the existing dilemma which has developed into an important issue dividing the free world, a development which could, I think, have been avoided if the United States had showed more diplomatic skill, and if the consultations we suggested over a month ago had taken place at that time in private, and not at the last minute in public. If Mr. Reid can give us any indication of Indian intentions in the matter, that would be very useful here. Pending developments in New Delhi, however, we intend to pursue the policy we have followed here in regard to Indian participation, notwithstanding what others may do.

2. This whole business throws a depressing light on the inadequacy of consultation between the United States and its friends on Far Eastern matters, and has played, from the propaganda view, right into the hands of the Communists. It also bodes ill for the success of the conference, especially as it will have given Syngman Rhee the feeling that he can dictate our policy thereat. As a matter of fact, it is, I think, worth considering in the Department whether, in the light of recent developments, the advantages we would get from attendance at the Korean Political Conference are not in danger of being outweighed by the disadvantages from participation in its work and by such participation accepting responsibility for its results which could, to some extent, be avoided if we were not members. If every time there is a division at this Korean Conference between the United States and Syngman Rhee on the one hand, and the rest of us, we are confronted with the ultimatum that we must accept the Washington-Seoul view or run the risk of break-

ing up the Conference, our difficulties will be great and our freedom of action seriously curtailed.

3. Meanwhile, however, we will continue to support the resolution re India and will vote for it. There is no change in our position in this regard.

154. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 37 New York, August 25, 1953

CONFIDENTIAL

KOREA — RESUMED SESSION

Reference: Our teletype No. 35 of August 24th, 1953.†
Repeat Washington No. 34.

A meeting of the sixteen delegations was held after lunch today, August 25th, to consider the Indian resolution sending the Chinese our side's proposals and asking the Secretary General to report to the General Assembly as appropriate.

2. There was general agreement that for psychological reasons the fewer changes we had to make in the Indian resolution the better. It was therefore decided not to touch anything except the final phrase, which the majority thought should be changed to read "and inform the members of the United Nations of any communications received". This would at least get around the difficulty of the Secretary-General having to report back to the General Assembly.

3. Both Mr. Martin and Jebb made it clear, in agreeing to the amendment desired by the majority, that they would have been prepared to have voted for the Indian resolution in its original form.

4. As regards sponsorship of the amendment, it was agreed that Spender, who had taken most of the initiative in this matter, should look for a sponsor outside the group of sixteen. He was having difficulty this afternoon as the delegations of Denmark and Argentina had declined to sponsor, but he was hopeful that Brazil might agree.

5. Lodge also announced at the meeting that he had agreed, at the request of a group of Latin American delegations, to vote for a minor amendment in the fifteen power resolution, adding the words "pursuant to the call of the United Nations". After the words "in Korea" in the first sentence of paragraph 5 (a).

155. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 41 New York, August 26, 1953

CONFIDENTIAL

KOREA — RESUMED SESSION

Reference: Our telegram No. 38 of August 25.†
Repeat Washington No. 38.

In view of Menon's clear statement yesterday that India would not withdraw before the Assembly had voted on its participation in the Conference, the debate this morning shifted to the question of how the Chinese should be informed of the Assembly's recommendations and whether, if there were counter-proposals from the other side, the Assembly would have to consider them.

2. As a result of our 16-power meeting yesterday (our telegram No. 37 of August 25) Peru submitted an amendment, the intention of which was to avoid a further debate on the composition of the Conference in the General Assembly. The representatives of Indonesia, Yugoslavia and India opposed this amendment and Menon succeeded in having it withdrawn in exchange for deleting the words "to the General Assembly" from the last sentence of his resolution. Menon said there should be sufficient confidence in the Secretary-General to report "as appropriate" without tying him to any particular procedure.

3. Vishinsky at the close of the debate was in a playful mood but made some not ineffective points. Deploring Menon's action in dropping the reference to the General Assembly from his resolution, Vishinsky warned the Assembly against "slamming the door" on further negotiations with the Chinese on the composition of the Conference. Although he defended his own slate of 15 countries as providing for a more representative international conference than that envisaged in the 15-power resolution, he indicated that the gulf was not unbridgeable but that there would have to be recognition on the part of the Assembly that we were negotiating with equals. "You did not win a victory", he said. By trying to present the Chinese with an ultimatum, the Assembly was in a fair way to wrecking the Conference before it began. He saw no reason for being afraid of further Assembly discussions of the Korea question; but the United States (supported by its "automatic voting machine") did not "want to talk".

4. Although Vishinsky did not mention them, the Soviet delegation tabled two additional amendments this morning. The first would have the effect of substituting the Soviet resolution for paragraph 5 (A) of the 15-power resolution giving the

composition of the Conference.[50] The second would remove from the resolution recommending the participation of the USSR the qualification "provided the other side desires it". Statements this morning by representatives of Iraq, Egypt and Indonesia foreshadow a good many Arab and Asian abstentions on our paragraph 5(A) and on the proviso to the USSR's invitation. These abstentions may make it difficult for these parts of our resolutions to gain the necessary two thirds majority in plenary. Should the proviso to the Soviet invitation be knocked out in this way, many delegations will face a difficult problem in voting for the Soviet invitation without the proviso. The effect of the Soviet amendment might therefore be to make it more difficult to secure the necessary majority in recommending the participation of the Soviet Union in the Political Conference —and add grist to the Soviet propaganda mills which have already been doing quite well over our differences on Indian participation.

5. Because of the Security Council meeting on Morocco, the First Committee's afternoon session was cancelled and we shall vote on the Korean resolutions tomorrow morning.

156. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 42 New York, August 27, 1953

CONFIDENTIAL

RESUMED SESSION — KOREA

Reference: Our telegram No. 41 of August 26.
Repeat Washington No. 39.

1. The voting this morning in the First Committee went very much as we had expected. Our resolution inviting India to participate in the Conference carried by a vote of 27 in favour, 21 against and 11 abstentions. If the vote in plenary tomorrow is the same, however, the resolution will be defeated, as it will fail to obtain the support of two-thirds of those present and voting, (not including the abstainers). The main question at present is whether the Indian delegation will insist on a vote

[50] La résolution présentée par l'Union soviétique dont il est question ici est la résolution A/C.1/L.48 (plus tard la résolution A/C.1/L.Rev.1), qui prévoyait que seul un petit nombre de pays pourraient participer à la conférence. La Première Commission rejeta cette résolution par 41 voix contre 5, avec 13 abstentions. Voir Nations Unies, *Documents officiels de l'Assemblée générale, septième session, Première Commission*, 623[e] et 625[e] séances, pp. 772-775, 791.
The Soviet resolution referred to is A/C.1/L.48, (later A/C.1/L.48 Rev.1), which would have limited the conference to a small number of participants. It was rejected in the First Committee by 41 votes to 5, with 13 abstentions. See United Nations, *Official Documents of the General Assembly, Seventh Session, First Committee* , 623rd and 625th meetings, pp. 750-2, 768.

in plenary or withdraw. We shall report separately our private talks on this subject with our Commonwealth and United States colleagues. For the time being the sponsors of the resolution to invite India have agreed not, repeat not, to press India to withdraw.

2. Although facing defeat in plenary, the Indian delegation has at least the satisfaction of seeing that apart from the United States and 17 Latins, only China, Greece and Pakistan voted against them. Apart from the fact that so many Latins had changed their tune in response to United States representations in their capitals, the chief blow was that France, Benelux, Israel and Iceland were among the abstainers, although they had previously (with the exception of Belgium) indicated that they would support India. It is generally, and I think correctly, believed that France changed her vote largely because of the United States decision to vote against the inscription of the Moroccan item in the Security Council but it is obviously untrue that the United States decision was reached in order to gain French support over India, since they might well have gained not 1 but 6 votes had they sided with the Arabs over Morocco.

3. In addition to those already mentioned, South Africa, Argentina, the Philippines, Thailand and Turkey also abstained. Those in favour of Indian participation were the United Kingdom, Australia, Canada, New Zealand, Norway, Denmark, Sweden, Guatemala, Mexico, Yugoslavia, 12 of the Afro-Asian group and the Soviet Bloc. Only the latter, of all United Nations groupings, was not divided on this issue.

4. The other votes were of secondary importance and can be summarized as follows:

(a) On the 15-power resolution setting up the Political Conference: 42 in favour, 5 against (the Soviet Bloc) and 12 abstentions (Yugoslavia, Guatemala, Argentina and Mexico) and 9 Afro-Asians;

(b) On the invitation to the USSR: 55 in favour, 2 against (China and Uruguay) and 2 abstentions (Argentina and South Africa). The Soviet attempt to delete the words "provided the other side desires it" was defeated 15 to 36 with abstentions;

(c) On the Indian resolution transmitting the Assembly's proposals and records to the Chinese: 54 in favour, 4 against (Chile, China, Ecuador and Salvador) and 2 abstentions (Argentina and Mexico). Not only on the question of Indian participation but on all the votes, Krishna Menon's position was "not participating".

5. Apart from an acid (and it seemed to us unnecessary) reply from Lodge to Vishinsky's gibe at the "master race" idea, there was nothing in this morning's statements and explanations of vote which I think needs to be reported, except perhaps Vishinsky's assurance that the remarks he had made yesterday should not be interpreted as a threat of non-participation by the Communists in the Conference.

157. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 44 New York, August 28, 1953

RESTRICTED

KOREA — RESUMED SESSION

Reference: Our teletype No. 42 of August 27.
Repeat Washington No. 41.

In a graceful speech before the plenary session this morning, Menon requested that the First Committee's resolution recommending that India should participate in the Conference be withdrawn. Munro of New Zealand followed and said on behalf of the original sponsors of the resolution that we commended the statesmanship which Menon had shown throughout the debate. He was followed by several Latin American delegates who tried their best to make amends for having voted against India by praising her contribution to peace.

2. The voting on the other resolutions and on the Soviet amendments, which were again submitted in plenary, was almost identical to the First Committee vote yesterday. As expected, the Latin American amendment to add "pursuant to the call of the United Nations" to paragraph 5 (a) of our main resolution was easily carried.

3. Although Vishinsky spoke, he added nothing to what he had said in committee. Once again his tone was mild and relatively friendly, although he quoted Chou En-lai to show that the Assembly was placing "an incorrect interpretation" upon Article 60 in proceeding to set up a conference of two sides.

4. We shall vote this afternoon on the 15-power resolution paying tribute to the dead which, because of its mildly controversial references to past Assembly and Security Council resolutions on Korea was, at the request of the United Kingdom delegation, reserved for discussion in plenary following the adoption of our substantive resolutions on the Conference. As it is expected that representatives of all countries who have had forces serving with the Unified Command will speak on this resolution, Mr. Johnson has a short statement, the text of which we shall send you separately.[51]

---

[51] Cette résolution fut adoptée par un vote de 54 voix contre 5 (le Bloc soviétique). Le court exposé de Johnson n'a pas été imprimé.
This resolution was approved by a vote of 54 in favour and 5 against (the Soviet bloc). Johnson's short statement is not printed.

158. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 46 New York, August 28, 1953

SECRET

INDIAN PARTICIPATION IN KOREAN POLITICAL CONFERENCE

1. To complete your record of United Nations action in this matter, following is a summary of developments "behind the scenes" yesterday and today.

2. Following the adjournment of the First Committee yesterday Krishna Menon saw Mr. Pearson and indicated that he was disturbed by the vote which had just been taken and thought it would be most unfortunate if the General Assembly ended its session on this note. Menon thought it might still be possible even at this late stage to obtain a virtually unanimous resolution dealing with India. He wondered whether such unanimity could be achieved if a neutral delegation, for example Brazil, brought in an amendment to the resolution regarding Indian participation so that the resolution as amended might read that the General Assembly resolved "that the Korean Political Conference, after it is organized, give consideration to the participation of India in its work".

3. Mr. Pearson told Mr. Menon that he would think the matter over and see Mr. Menon again at 4.00 p.m.

4. At 2.30 p.m. Mr. Pearson saw Hammarskjold, Lodge, Jebb, Spender and Munro. Mr. Pearson explained The Indian suggestion. He pointed out that the Communists might use the vote against Indian participation as an excuse for not attending the Conference. If, however, an amendment of this kind went through with a large majority, then at least this difficulty might be removed and the Conference would meet. For this reason Menon's suggestion should be considered. Mr. Hammarskjold supported Mr. Pearson.

5. Lodge was strongly opposed to Menon's suggestion. He regretted very much the disagreements which had developed with friends over this issue. He would therefore deplore any action which might prolong this unfortunate state of affairs. In Lodge's view, the best course would be for Menon to request the sponsors to withdraw the resolution. The next best course would be for the resolution to be put to a vote in plenary session tomorrow. He disliked intensely keeping the Indian issue open by referring it to the Political Conference.

6. Spender supported Lodge. Jebb would have welcomed any solution which would have found the United States and the Commonwealth voting together, but he agreed with the rest of us that there was no use in considering the suggestion further if the United States was opposed to it.

7. Mr. Pearson saw Menon and informed him that any such suggestion would not meet with support from the USA for reasons which commanded respect. Menon accepted this without demur and agreed that there was no point in pursuing the idea in the face of American opposition, which in fact he did not criticize, realising that it was pretty late in the day to be introducing new ideas. He then indicated very privately to Mr. Pearson that under these circumstances he would be prepared to request that the General Assembly in plenary session should not proceed to a vote on the resolution dealing with Indian participation and he asked Mr. Pearson's co-operation in preparing the way for an intervention by him along these lines. Mr. Pearson therefore saw Lodge, Jebb and Munro and a procedure was worked out which operated very satisfactorily this morning — thanks to the silence of the Soviet delegation whom, I believe, Menon saw last evening and who agreed not to object to his withdrawal suggestion.

159. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2023 Washington, August 31, 1953

CONFIDENTIAL. IMMEDIATE.

KOREA — PRELIMINARY CONSULTATION WITH UNITED STATES
FOR THE POLITICAL CONFERENCE

Repeat Permdel No. 355 (routine).

Confirming telephone message to C.S.A. Ritchie from Ignatieff, we have been advised that Mr. Dulles wishes to have a preliminary meeting with the Ambassadors of the countries which have contributed armed forces in the Korean war on the United Nations side, on Tuesday, September 1st at 2.15 p.m.

2. The purpose of this meeting is to follow up paragraph 5 (b) of the resolution on the Political Conference adopted at the Resumed Session of the General Assembly last week, with particular reference to the following points:

(a) Composition of the Political Conference on the United Nations side;

(b) Place;

(c) Date;

(d) Methods of communication with the Communist side to arrange the Political Conference;

(e) Arrangements for further consultations between United States Government and other participating countries preparatory to the conference.

3. From the conversation with Alexis Johnson we were unable to obtain any United States views on the above points. Johnson said he had not yet been able to discuss these matters with the Secretary. He said that the point which State Depart-

ment hoped to clarify as soon as possible is to establish which of the governments who have the right to participate in the Political Conference under the terms of the 15-power resolution will actually elect to exercise that right. He hoped, therefore, that we would, as soon as possible, indicate definitely whether Canada will wish to send a representative to the Political Conference. He also indicated that the State Department hoped that further preparatory consultations will take place in Washington.

4. As reported in our WA-1994 of August 22nd,† Arthur Dean, a former colleague of Mr. Dulles' in the legal profession, is expected to be the United States representative. Johnson said that the appointment had not yet been made but indicated that it was most probable. Dean would carry the rank of Ambassador.

5. Would appreciate guidance in time for the meeting.

160. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2037 Washington, September 1, 1953

CONFIDENTIAL. IMPORTANT.

KOREA — PRELIMINARY CONSULTATION WITH UNITED STATES ABOUT TIME AND PLACE OF POLITICAL CONFERENCE

Reference: Our teletype WA-2023 of August 31st (No. 355 to Permdel).
Repeat Permdel No. 359 (routine).

The meeting called by Mr. Dulles was attended by representatives of all UN member states which had contributed armed forces to the Unified Command, except Luxembourg. Mr. Dulles was accompanied to the meeting by Mr. Arthur Dean, (United States representative-presumptive to the Political Conference), and Murphy, Assistant Secretary for United Nations Affairs.

2. Dulles, in opening the meeting, explained that the United States Government was taking this action pursuant to the resolution adopted last week by the United Nations General Assembly which recommended in particular that the United States should consult with other governments which have contributed forces in Korea, before arranging for the Political Conference with the other side. As a preliminary question he asked whether there would be any objection to inviting a representative of the ROK to attend this meeting, in accordance with paragraphs 5 (a) and 5 (b) of the United Nations resolution. As there was no objection, Ambassador Yang,[52] who was waiting outside, was admitted to the meeting.

[52] You Chang Yang, ambassadeur de la République de Corée aux Nations Unies.
You Chang Yang, Ambassador of Republic of Korea to United Nations.

3. Dulles then turned to the question of the composition of the Political Conference on the United Nations side. He said that the assembly resolution envisaged the United States as acting as "spokesman" for the United Nations group. It was likewise clear by the terms of that resolution, that all member states which had contributed armed forces to Korea had a right to attend the Political Conference or, as he said, had "bought their ticket". It might be desirable, however, to try to keep the delegation on the United Nations side as small as possible and he suggested that some governments might not wish to send representatives to the Political Conference, or might be satisfied with having an observer attend to report on what transpires. At the suggestion of Ambassador Munro of New Zealand, Secretary Dulles proposed that a preliminary poll be taken to indicate which of the governments represented might wish to attend as full participants in the Political Conference. The following eleven representatives then raised their hands: Australia, Belgium, Canada, Colombia, France, Philippines, ROK, Thailand, Turkey, United Kingdom, United States.

4. After this preliminary poll, the representative of the Netherlands said that his government had hoped that the delegation would be restricted to a maximum of eight or nine and on that assumption had envisaged not sending a representative to the conference. In view of the numbers now indicated by the poll, he reserved his government's position. The New Zealand and Greek representatives made similar statements. The South African representative was the only one who definitely indicated that his government would not be represented at the conference. As this was a preliminary poll and Secretary Dulles made it clear that he hoped governments would definitely indicate their positions in the near future, we made no statement but indicated Canada's probable intention of participating in the Political Conference by raising a hand. (This was in accord with Mr. Martin's statement at the United Nations on August 19th and your subsequent instructions by telephone).

5. Dulles next took up the question of the possible date of the conference. He said that it was necessary to assume that the governments concerned would not be prepared for the Political Conference much before the time limit fixed in the United Nations resolution, of October 28th. The earliest date which he was inclined to suggest was October 15th. ROK and New Zealand indicated that they would like to have the date fixed at the earliest possible, but implied October 15th would be acceptable. At Spender's suggestion it was agreed that it would be left to the United States Government to negotiate with the other side to fix the date as close to October 15th as possible.

6. Dulles next took up the question of location. He said the United States had no strong views on the possible location of the conference except that they would prefer not to have it in New York where it might conflict with the United Nations General Assembly. He did not rule out, however, the possibility of some location on United States territory and he threw out the suggestion of San Francisco or Honolulu. Spender and Makins suggested that Colombo and Geneva had also been mentioned. They also recalled that it would have to be assumed that the location of the conference would have to be acceptable to the other side and that some flexibility would therefore have to be maintained in the negotiation. The ROK representative argued in favour of San Francisco on the sentimental grounds that the Charter

conference had been held in that city. Dulles said that he was not sure whether the necessary facilities would be available in San Francisco and admitted that the suggestion of San Francisco would probably not be acceptable to the other side. He said that the governing considerations in choosing a site should be the following: (a) convenience and adequacy of communication facilities between governments and their representatives and for the press, and (b) suitable environment and, particularly, the absence of strong public pressures. He thought this might rule out San Francisco because of the strong feeling against Communist China in that city. He mentioned, however, that it might be desirable to list San Francisco along with Honolulu and Geneva because the Communists would almost certainly reject some, if not all, the sites suggested on the United Nations side for prestige reasons, and it might therefore be necessary to mention Honolulu and San Francisco in the hope that a compromise might be reached on Geneva. It was agreed that all three locations would be mentioned by the United States Government in communicating with the other side.

7. Finally Dulles asked the views of the meeting on the channels of communication which the United States Government should use in communicating with the other side in accordance with the United Nations resolution. He said that he would prefer to use the facilities of the Swedish Embassy in Washington (which in turn would communicate through Stockholm and its representative in Peking) rather than the Secretary-General. He explained that this would not only be more convenient but, as the United States had been designated as "spokesman" under the terms of the United Nations resolution for the United Nations side, they would prefer to use a governmental channel rather than act through the United Nations. As there were no objections, Dulles' proposal was accepted.

8. Dulles then asked whether there were any other matters. As no one indicated an intention to speak, acting in accordance with your instructions, I asked Dulles whether he could clarify his government's intentions about making further arrangements for continuing consultation between the United States Government and the governments which might participate in the Political Conference, on matters of substance as well as procedure relating to the Political Conference. Dulles replied that he had no preconceived thoughts on this matter, but he had supposed that it was first necessary to establish with the other side that the Political Conference would actually take place at a given time and place. I then pointed out that it was necessary to assume that the other side might make counter-proposals in their reply to the Secretary-General with regard to the resolution adopted by the United Nations. I asked whether this would not necessitate immediate arrangements for continuing consultation between the governments concerned. Dulles then said that he had in mind the desirability of further consultations on the time and place of the Political Conference. Once these arrangements for the conference were settled, he agreed that it might be desirable to make arrangements to consult on the agenda for the conference and other matters of substance. He seemed to assume that all such consultations would take place in Washington. At the same time he pointed out that according to the United Nations resolution participating governments would act "independently" at the conference and with "full freedom of action". However he did not wish to pursue that thought, he said, to the point that the governments on

the United Nations side should go into the conference with conflicting positions. He therefore did not exclude the possibility that it might be desirable, at the appropriate time, to have an exchange of views, preparatory to the conference.

9. Munro with whom, at your suggestion, I had a conversation before the meeting, intervened to say that he sincerely hoped that, despite the language of the resolution about acting independently, the governments concerned would be able to reach unanimity on some of the main issues. Spender also pointed out that my remarks had envisaged an exchange of views on the intermediate questions which might arise from replies from the other side to the Secretary-General or to the message from the United States Government under discussion at this meeting, and that consultation would be necessary on these questions, even before matters relating to the agenda were taken up. Makins also intervened to ask Dulles for an assurance that this group would be called together when a reply was received from the other side either to (a) the message of the Secretary-General forwarding the United Nations resolution, or (b) the message of the United States Government on the proposed time and place of the Political Conference. Dulles suggested that we should proceed on the assumption that a meeting of the present group (i.e. of all representatives of all governments who had the right to participate in the sense of Article 5 (a) of the UNKUN resolution) would be necessary either (a) when the other side made a reply to the Secretary-General's message, or (b) when a reply was received to the message which the United States Government would send as a result of this meeting. He preferred to defer decision about arrangements for continuing consultations on matters of substance relating to the conference, including the possibility of a Working Group of restricted membership which had been mentioned in the discussion.

10. In view of the intention to make the communication from the United States Government to the other side on the time and location of the Political Conference a confidential message to be sent through the Swedish Government, it was agreed to limit publicity to a press communique to be issued by the State Department. The draft proposed was changed to accord with the language of Articles 5 (a) and 5 (b) of the United Nations resolution in its reference to participating governments. The substance of this communique was limited to saying that the meeting had discussed the possible date and place of the conference and that there was unanimity of view that the United States should carry forward negotiations with the other side on a location for the conference which would be conducive to its ultimate success. No specific mention of places or dates was made to avoid prejudging decisions on these points. This reticence in the communique did not, however, prevent the usual orgy of picture-taking arranged by the State Department and focused in particular on Messrs. Dulles, Yang and Makins.

161. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-1499 Ottawa, September 3, 1953

CONFIDENTIAL. IMPORTANT.

KOREA — PRELIMINARY CONSULTATION WITH UNITED STATES ABOUT TIME AND PLACE OF POLITICAL CONFERENCE

Reference: Your teletype No. WA-2037 of September 1.

I am grateful for the initiative taken by Mr. Ignatieff at the meeting in asking about arrangements for further consultation. The discussion reported will put on record the interest we have in this matter. I take it from the penultimate sentence of paragraph 9 that Dulles agreed that the group should meet either (a) when the other side made a reply to the Secretary General's message; or (b) when a reply was received to the message which the United States Government would send as a result of this meeting.

2. I was wondering whether it was the intention of the State Department to circulate a draft of their proposed message to the Communists for comment before it is sent forward.

3. Mr. Dulles' use of the word "spokesman" in paragraph 3 of your telegram seems to be ambiguous. I hope there will be no misunderstanding on this point as the Assembly resolution recommending the United States as a "spokesman" for the others should not go beyond the role mentioned in paragraph 5 (b). Any such extension would, of course, not be acceptable to us.

4. Since 11 countries have indicated an interest in attending the Political Conference I am wondering what procedures will be thought of in the State Department to meet Mr. Dulles' wish that the delegation on the United Nations side should be as small as possible. Just how this eleven-power delegation is to be organized does present a rather difficult problem. As the delegates will be acting independently, there can be no question, I suppose, of a chairmanship on the UN side, apart from the chairmanship of the Conference. Nevertheless, every effort should be made to ensure that the UN members follow the same line, and this will require close and continuous consultation, both before the conference meets and afterwards.

5. I think you can assume that Canada will participate in the Conference, but this assumption may have to be modified by developments in the next week or two. What we are anxious to do at this stage is to ensure that we participate fully in all pre-conference consultations, and that these consultations should be effective, both in regard to procedure and policy. Surely they must be as anxious in Washington as we are to avoid the unhappy experience of the recent meetings of the UN Assembly.

6. Regarding discussion on the agenda of the Conference and the substance of questions to be dealt with there, I should be grateful for any indication you may be able to obtain from other Commonwealth Embassies as to study that may be being given these questions in their capitals. I hope that Mr. Dulles will not delay for long a decision about arrangements for continuing consultation on matters of substance relating to the Conference. You might take a suitable opportunity to raise this at appropriate level in the State Department.

162. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2066 Washington, September 5, 1953

CONFIDENTIAL

KOREA — PRELIMINARY CONSULTATION WITH THE UNITED STATES ABOUT A POLITICAL CONFERENCE

Reference: Your teletype EX-1499 of September 3.

I took the opportunity of a call on Assistant Secretary for United Nations Affairs Murphy to raise the questions about further consultation mentioned in your message. (Murphy, as I reported in my WA-2037 of September 1st, assisted Dulles at the meeting last Tuesday).

2. At the outset Murphy made it clear that the State Department thinking had not progressed very far, either on procedure or substance, in preparation for the Political Conference. He said that the State Department fully recognized the need for effective consultation but are inclined to wait until there is a response to the two messages which have now been despatched to the other side on the Political Conference: i.e. (a) the message from the Secretary-General and (b) the message from the United States Government which was sent as a result of last Tuesday's meeting.

3. He said that the message to the Communists was despatched through the facilities of the Swedish Government in the terms agreed to at the meeting. It had not been thought necessary to circulate a draft of the proposed message, especially as it was desirable to get it off as quickly as possible in view of the press speculation regarding its content. Murphy expressed himself very strongly on the subject of the leak which had occurred and indicated that Mr. Dulles would have something to say on the subject when the group came together again.

4. Murphy readily agreed to the interpretation of the word "spokesman" given in your message. He said that it was clearly understood that the Secretary was referring to the function assumed by the United States under paragraph 5 (b) of the United Nations resolution. The problem of the role which the United States might play in other preparatory activities prior to the Conference and in respect to the

United Nations Delegation at the Conference was still a matter open for consideration.

5. As to the problem of the composition of the Delegation on the United Nations side, Murphy said that the State Department had not arrived at any firm views. It was obviously going to be impossible to exclude arbitrarily the participation of any government which, (repeating Dulles' words), had "bought its ticket" to the Conference through its contribution in the war. Murphy said that he was inclined to wait for the counter-proposals which almost certainly may be expected from the other side. The Communists might insist on reducing the United Nations Delegation to a number as small as four or five. It would then be necessary for the United Nations members to consider what they should do.

6. Alternatively, some United Nations members might choose to drop out by "self-denying ordinance". Ethiopia, Luxembourg and South Africa would almost certainly not participate. Belgium, the Netherlands, Greece and New Zealand were doubtful. In answer to a question, I merely said that it could be assumed that Canada would wish to participate.

7. In conclusion Murphy emphasized that it would certainly be the United States desire to have close and continuous consultation. The setting up of a working group was one of the methods they had in mind. The question was really one of timing. They wanted this consultation to grow naturally, and there seemed to be no use beginning consultations until some ideas had been developed on the agenda of the Conference and the substance of the questions which would be dealt with there. It was also desirable to await reactions from the other side.

8. I took advantage of the arrival of Mr. Casey yesterday morning to have a brief talk with Messrs. Makins, Spender and Munro, to find out what studies, if any, were being given in preparation for the Political Conference, in their capitals. Makins said that he had asked for guidance from London, but had so far received no reply. He was not aware what was being done in the way of preparatory studies. It got similar replies from Munro and Spender. I had a brief word with Mr. Casey who gave me to understand that he intended to discuss some of these questions with Mr. Dulles and Commonwealth colleagues, but that he had no firm ideas. He also said that he was very much looking forward to talking with you.

163. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

SECRET [Ottawa], September 21, 1953

1. KOREAN POLITICAL CONFERENCE

Far Eastern Division: On September 13th Foreign Minister Chou En-lai of the Peking regime replied by telegram to the communication from the United Nations Secretary-General which transmitted, at the request of the General Assembly, the text of the two resolutions adopted August 28th by the Assembly on the composition of the Political Conference. The reply disagreed with these resolutions and called on the Assembly at its eighth session to provide for a conference which would include not only all nations on the two belligerent sides in Korea, but also the Soviet Union, India, Indonesia, Pakistan and Burma as neutral nations. Chou also said that, while the conference should be a round-table conference, all its decisions would have to obtain unanimous agreement of both belligerent sides. Moreover, representatives of the Peking and North Korean regimes should be invited to participate in Assembly discussions of these matters. When agreement had been reached on the composition of the conference then the two sides should consult concerning its time and place of meeting.

The Communist reply was evidently timed to coincide with the opening of the eighth session of the General Assembly. The Chinese proposals were immediately rejected by a State Department official in a public speech. Subsequently, the representatives of the sixteen member states of the United Nations with troops in Korea agreed that the proposals should not be considered by the Assembly at the present time, as this would re-open a question which had already been settled by the Assembly in August. Moreover, the United States, on behalf of the Powers concerned, should inform the Chinese and North Korean Communists that there was nothing further to add to the United Nations resolutions relating to the composition of the conference, and should re-iterate the request for an early reply as to an acceptable time and place for the conference.

. . .

164. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1610 Ottawa, September 28, 1953

SECRET. IMMEDIATE.

KOREAN POLITICAL CONFERENCE

Reference: This will confirm my telephone conversation of Saturday morning.
Repeat London No. 1515; New Delhi No. 227; Candel No. 30.

At a private talk on Friday with Selwyn Lloyd and Krishna Menon, I got the impression (though this should not be conveyed to the Americans, or if so, very discreetly) that the Indian Government might be willing to impress on the Peking Government the desirability of a favourable response to the recent United States suggestion that the Political Conference might, after it meets, add to its members, and that an American envoy would be willing to meet the Communists at once regarding arrangements. However, I felt myself, and I conveyed this feeling to Menon and Lloyd, that more harm than good would result if an intervention of this kind were attempted in Peking without a clear understanding of the meaning of the American suggestions themselves. They agreed, and felt that I was the person, through you, to obtain such an understanding.

2. The American suggestion regarding the Conference expanding, by agreement, its own representation after it is constituted is open to and has already been given in New York two interpretations: (a) either this could be done at the beginning of the Conference, or (b) it is not to be considered until the Korean item is dealt with. It is possible that the United States are deliberately allowing their suggestion to remain vague and open to either interpretation in order to give them more freedom of action later. On the other hand, it may be that they merely had not thought the matter through when they made the suggestion. In any event, a proposal of this kind, susceptible to different interpretations, can cause trouble later. Therefore, it would be helpful, indeed important, if you were able to secure, on a high political level in the State Department, information as to which of the above interpretations the United States had in mind in making the proposal. If (a) above, would they, in fact, support a proposal made by the Conference itself, or some member thereof, that India was to be added to its membership in some form. To allow the Conference to discuss extending its representation, but to oppose any proposal for such extension, would not, of course, be much help.

3. I think the best way to proceed in this matter is to say that on my return to Ottawa the importance of the recent American initiative, which is appreciated, was discussed with the Prime Minister, as a result of which you were asked to secure, if possible, the clarification mentioned above.

Communications; please add the following to the telegram to the High Commissioner in New Delhi,[53] *begins:*

4. With reference to the above, it would be helpful to find out, without appearing to press the point, whether if a satisfactory interpretation were given to the American suggestion referred to in this telegram, the Indian Government would, in fact, be inclined to urge its acceptance on Peking. One of the difficulties, of course, is that the Peking authorities will be securing their reports on developments in the United Nations from Communist sources exclusively and these will undoubtedly be prejudiced. Menon appreciates this difficulty and thought that the Indian Government might be, and indeed was, doing something in Peking to ensure objective reports. I would quite understand, however, that the Indian, or any other Government, would not wish to discuss with Peking a suggestion such as (a) in my telegram above, unless the exact meaning of that suggestion were clear. That is why I am asking our Ambassador in Washington to attempt to secure such clarification, though I recognize that this may not be possible at this stage as the Americans may not themselves be able or willing to give it.

165. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2206 Washington, September 28, 1953

SECRET

KOREAN POLITICAL CONFERENCE

Reference: Your EX-1610 of September 28th.
Repeat London; New Delhi; Candel.

1. I have just returned from seeing Robert Murphy. This call was arranged before my telephone conversation with you on Saturday morning, but it gave me the occasion to raise, as I did, the questions posed in your telegram under reference.

2. Murphy had no apparent reluctance to reply to my questions, which I put to him in the way suggested in your paragraph 3, that is following your report to the Prime Minister. On the other hand, you will observe that his replies lacked precision on two aspects of the United States proposal.

3. With respect to the first question, Murphy said that the United States proposal did not, repeat not, contemplate a decision being taken at the beginning of the conference; this, he added, would be a contradiction of the line which they had taken in New York. It would be quite impossible for them to agree to such a procedure in view of the attitude of the South Korean Government.

[53] Une copie de ce télégramme a été envoyée à New Delhi sous le nº 227 (Important).
The telegram was repeated to New Delhi as No. 227 (Important).

4. Murphy said that the United States authorities had no preconception of the precise stage at which widening of the conference might be considered. This would depend on developments at the conference itself. The United States did not wish to bind themselves on the timing; they wished to keep their position flexible. On my pressing him, he said that this did not, repeat not, mean that they would insist that the Korean item be disposed of before they would agree to any widening of the conference membership, which seemed to them at the time to afford a better chance of the conference succeeding. It seems evident, therefore, that your guess is right that the United States deliberately intend to retain their later freedom of action in this respect.

5. So far as supporting India is concerned, Murphy said that the United States Government will not say now whether they would oppose or support a proposal to that effect. If there were new arguments in favour of the addition of India they would be glad to consider them. But for them to say now that at the conference they would take a position directly opposite to that which they had adopted in New York would be impossible; furthermore, the United States wanted the conference to succeed, and the attitude of the ROK Government on India was well enough known.

6. Incidentally, Murphy, when I questioned him about Rhee's outburst over the week-end, expressed the "personal" opinion that Rhee's words were not necessarily to be taken at their face value. In this I found him quite noticeably different from his colleague, Robertson. In fact, Murphy gave me the impression that Rhee might be pushed some distance. This was in general and not on the particular questions which we were discussing earlier.

166. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

[Ottawa], September 29, 1953

1. KOREA — POLITICAL CONFERENCE

Far Eastern Division: On September 22 the General Committee of the General Assembly met to consider the Soviet request that the memorandum of the Secretary-General communicating to members the Communist reply to his cable which transmitted the text of the two Assembly resolutions of August 28 on the composition of the Political Conference, should be placed on the agenda of the session (Weekly Divisional Notes of September 21).

Mr. Vyshinsky in opening the debate argued that the Secretary-General had reported on the question as instructed by the General Assembly and that the latter had a right and duty to discuss the matter so that a suitable reply might be given to the Peking and North Korean regimes. Mr. Lodge, in opposing inclusion of the item, said that the United States, representing the 16 military participants, had been authorized by the Assembly to make arrangements for the convening of the confer-

ence. Suggestions had been made to the Communists respecting time and place but no adequate reply had been received. An Assembly debate on the issue at this time would be inappropriate. The question whether any neutrals should be invited was a matter for agreement between both sides. "Therefore, if developments during the conference warrant it and the other side desires to raise the question of additional participants, it will, of course, be open to them to do so . . . ." If it would facilitate negotiations for setting up the conference, the United States was prepared to send a representative to San Francisco, Honolulu or Geneva to meet with Chinese and North Korean representatives.

In the event the General Committee recommended against the inclusion of the Soviet item and the Assembly endorsed the recommendation by a vote of 40 in favour (including Canada), 8 against and 10 abstentions.

The Chairman of the Canadian Delegation, during the general debate in plenary on September 23, stated the Canadian position on various aspects of the Korean problem . . . .[54]

2. Eighth Session of United Nations General Assembly

United Nations Division: In its second week, September 21 - 26, the eighth session of the General Assembly continued with plenary meetings in the course of which a number of countries, including Canada, made general statements on United Nations developments. Of major interest during the week were the efforts of the Soviet Delegation to raise the issue of the Korean Political Conference in the Assembly (see separate Note above) and the approval of the Assembly for inclusion of an item proposed by the Soviet dealing with disarmament. (See separate Note below). Most of the committees convened during the week and devoted themselves to discussion of the order in which agenda items were to be discussed and to consideration of some items of substance.

Canadian Statement — On September 23, 1953, the Chairman of the Canadian Delegation spoke in the plenary meeting of the Assembly. In his speech he outlined the Canadian position on the various aspects of the Korean situation and dealt with the Canadian attitude toward the role of the Assembly in reducing international tensions and in developing collective security. He also urged that opportunity be provided at the Assembly for quiet and confidential discussion between delegations and governments.

. . .

[54] Voir:/See: L.B. Pearson, "Statement by the Chairman of the Canadian Delegation to the Eighth Session of the United Nations General Assembly," September 23, 1953. Department of External Affairs, *Statements and Speeches*, 53/37.

167. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1631 Ottawa, September 30, 1953

TOP SECRET. MOST IMMEDIATE.

KOREAN POLITICAL CONFERENCE

Repeat Candel No. 40 (Most Immediate); London No. 1528.

This will confirm our telephone conversation of a few minutes ago that you should try to see the Secretary of State himself to get clarification on the highest level of the points mentioned in our telegram 1610, and which you discussed with Mr. Murphy.

2. You might tell Mr. Dulles that the Prime Minister would be disposed to intervene personally with Mr. Nehru in the hope that the latter might intervene in Peking to prevent a Communist reply there to recent messages which would wreck our hopes for a Korean Political Conference. However, it is obvious that Mr. St-Laurent could not do this if there is doubt about the meaning of recent proposals. I do not wish you to commit the Prime Minister to any particular course of action, but merely indicate that in certain circumstances, it might be taken, in the hope that it would be helpful.

3. We will await here the result of your interview before making any decision as to whether Mr. St-Laurent should wire Mr. Nehru as indicated above.

4. Telegram 222† to External from our High Commissioner in New Delhi gives us some hope that, in certain circumstances, an intervention by Mr. Nehru in Peking might have a constructive result. Ends.

168. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2230 Washington, October 1, 1953

TOP SECRET. IMMEDIATE.

KOREAN POLITICAL CONFERENCE

Reference: Your EX-1631 of September 30.
Repeat Permdel No. 391; London No. 75.

1. As we have already reported to Charles Ritchie by telephone, my interview with the Secretary of State leaves the position essentially that reported in our WA-2206 of September 28 following my talk with Murphy. They intend to remain uncommitted and retain their freedom of action on the problem of widening the Conference.

2. I was received by Mr. Dulles last evening at six-fifteen. Murphy and Haydon Raynor were with him. Mr. Dulles listened carefully to what I had to say and appeared to take pains with his reply and in his exposition of the United States position. Although I had asked for only a few minutes, he kept me over half an hour.

3. I put your questions along the lines indicated in your telegram under reference, emphasizing how important it was that any possibility of agreement should not be jeopardized by a misunderstanding of what was intended. I said that the Prime Minister had not decided whether or not to make any intervention with Mr. Nehru and that, before making any decision, we wished to be quite sure of what was in the mind of the United States Government regarding the widening of the Conference and the participation of India.

4. Dulles began his reply by putting at some length the familiar arguments about the "two sides" and the morass into which we would be led if we were to depart now from the "legal basis" provided by the armistice agreement. While the proposal now might be for the membership of India and certain others, there was no reason why such a process should not be continued indefinitely if, as seemed likely, the Communists wished to spin the matter out indefinitely. In fact, United States authorities were being compelled to the conclusion that the Communists did not now want a conference to take place. Every indication seemed to confirm this. Dulles drew attention to the completely "dismal" and unconstructive speech of Vishinsky and (as another indication of probable "Communist" preoccupation with issues other than international affairs) the amorphous Soviet proposals concerning a new Five-Power conference. Bohlen[55] was back from Moscow and it was his view that the Soviet Government were paying little attention to external problems and were

[55] Charles E. Bohlen, ambassadeur des États-Unis en Union soviétique.
Charles E. Bohlen, Ambassador of United States in Soviet Union.

leaving Vishinsky pretty well on his own with a general instruction to stall; this Soviet position would be bound to influence the general Chinese Communist line with regard to Korea.

5. The United States had nothing against India, Dulles went on. They had shown this by their support of Mme. Pandit for the Presidency of the Assembly. Indeed, it was his view that India had a great part to play in preventing Asia from going Communist. He had himself tried to convince Rhee that Nehru was as much against Communism as Rhee himself, although his methods were different. Nevertheless, Rhee's own implacable opposition to participation of India in any way was a factor which had to be reckoned with. The United States were prepared to use "influence and coercion — call it what you will", but it could not be denied that any proposal involving India was full of difficulty. Incidentally, Dulles thought that, even if India were not an actual member of the Political Conference, she would be bound to take a considerable part in its deliberations because, as Chairman of the Neutral Repatriation Commission, she would have to have political representation of some kind there.

6. Coming to the interpretation of the United States proposal for having the Conference itself deal with the problem of membership, Dulles then explained at some length what he had had in mind when the suggestion was advanced. The Conference, if and when it met, would be "plenary" (Dulles repeated this several times). It could then do what it wanted with regard to membership — or anything else. If, at the outset, it seemed to the United States that consideration of a proposal for adding to the nations participating would contribute to the prospects of the Conference's success, their representatives would support such a proposal; indeed, if at that time India's participation were proposed, or anybody else's, and the United States felt that such an addition would be helpful, they would support that. On the other hand, they would feel equally free to oppose any such suggestions, if in their judgment the prospects of success would not be enhanced by their adoption. In fact, the United States would go into the Political Conference uncommitted and free to take whatever position on these (and other) questions that commended itself to their judgment at that time. For the moment they felt that the points to be decided should be limited to the time and place of meeting.

7. Upon my pressing him, Dulles said that the United States representatives at the Conference would feel free to consider proposals for extending the membership and including India "at the first hour — or the fourth or fifth — or at the tenth hour" or day. But they would act then in the light of the circumstances and on their judgment then of what was most likely to contribute to a successful outcome. He reiterated the desire of the United States Government to have the conference meet and to have it succeed, but repeated pretty emphatically the skepticism which the United States authorities now felt as to the possibility of having the Communists agree on any acceptable formula.

8. Any atmosphere of modified optimism concerning the prospects of a conference which was to be remarked in New York last week was conspicuously absent in our interview. Dulles' sympathetic references to the possible role of India must of course be accepted in the light of the quite contrary expressions in Congress and

in the administration itself. In any event, it seems clear that on this question of membership the United States are determined to keep their position flexible.

169. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1643 Ottawa, October 2, 1953

TOP SECRET

KOREAN POLITICAL CONFERENCE

Repeat London No. 1542; Candel No. 51.

Thank you for your telegram 2230, and for the report of the very interesting interview you had with Mr. Dulles.

2. I do not quarrel with the position taken by Mr. Dulles on this matter, or with his desire to maintain a flexible position in regard to the extension of the Conference subsequent to its convening. However, his explanation that the Conference is a "plenary" one and presumably, therefore, master of its own fate in membership and in other ways makes me wonder why Mr. Lodge was authorized to put forward a proposal which, by this interpretation, adds nothing to, or detracts nothing from the situation which previously existed. All it has done is to arouse hopes in certain quarters that a compromise had been found on representation, particularly in regard to India, and fears in other and Communist quarters that a trap was being laid.

3. There would be no point, I think, in asking Mr. St. Laurent to intervene personally with Mr. Nehru in view of the American explanation that their position has not been changed by Mr. Lodge's proposal.

4. I note that Mr. Dulles thinks that even if India were not an actual member of the Conference, she would be bound to take a considerable part in its deliberations as Chairman of the Neutral Repatriation Commission. It is not at all certain, however, that India would wish to participate in any other capacity than that of membership.

5. I hope that the United States authorities are considering what attitude should be adopted in case the Conference does not meet, a likely contingency, I should think, in view of the Communist position on representation, which they now seem to be obstinately maintaining, and the impossibility of our side to make any concession to that position. Syngman Rhee may feel, if the Conference does not meet, that the war should begin again and, of course, there will be very real trouble if he tries to impose this view on others.

6. I have never had any illusions myself about the success of the Conference, but I did feel that it was of very great importance to have it meet, because during its discussion of political questions, it would be very difficult for Syngman Rhee to

start trouble in Korea. In that sense, the very holding of the Conference would have a restraining influence on him, (and on the Communists) which is now likely to be forfeited. Furthermore, without a Conference, it will become increasingly difficult to keep our forces in Korea, and this would, I think, apply to other United Nations as well. And finally, there is, I think, no possibility of persuading the Indians to accept for long responsibility for the prisoners of war who do not wish to go home.

7. It would be useful if you could secure any views the United States authorities might have on these problems, which will be facing us if and when it is clear that the Conference cannot meet. Ends.

170. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire en Inde

Secretary of State for External Affairs to High Commissioner in India

TELEGRAM 239 Ottawa, October 3, 1953

TOP SECRET

KOREAN POLITICAL CONFERENCE

Reference: My telegram No. 227, September 28.[56]

Mr. Heeney, through interviews with Mr. Murphy and separately with Mr. Dulles, attempted to secure the clarifications referred to in the above telegram; but without much success. His report on the latter conversation, and my reply to him, are being sent to you in full, because of their importance.

2. I do not propose to ask the Prime Minister to intervene with Mr. Nehru, but I think that some such intervention, and no one else can do it effectively, is probably required if the Conference is to be held. I am sure that the Soviets are emphasizing to the Chinese that the recent American suggestions are a trap. This is not the case, even though it may not have been carefully thought out or, indeed, of much value. I am sure, however, that they were well-intentioned. Ends.

[56] Voir le document 164./See Document 164.

171. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1647 Ottawa, October 5, 1953

SECRET

KOREA

Repeat Candel No. 58; London No. 1547.

You will have seen in the press some wild statements emanating from Korean authorities suggesting that violent action might have to be taken there against the Indian contingent.

2. I have heard from New York, and no doubt will also soon hear from India, that this has caused great alarm and excitement in Indian quarters. It must also cause some alarm in other quarters, particularly in countries that have forces in Korea, who might be involved in any rash action taken by the South Korean authorities.

3. I assume that the American authorities are as alive to the danger of these developments as we are, and that they will do everything they can to reassure their friends that the South Koreans will not, in fact, be permitted to run amuck.

4. It would be helpful to secure a report, and I suppose this can only be done from Washington, on current difficulties over the procedure in regard to the interviewing of the non-repatriables. Much publicity has been given here to the alleged rules agreed to by the Neutral Commission that non-Communist prisoners are to be interviewed individually for many hours each day and for every day in the week during the whole period while they are under neutral custody. Is this accurate? Ends.

172. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2252 Washington, October 5, 1953

CONFIDENTIAL. IMPORTANT.

KOREA — IMPLEMENTATION OF ARMISTICE AGREEMENT

Reference: WA-2245 of October 2, 1953,† and EX-1647 of October 5.
Repeat Permdel No. 387.

The State Department know little more about the difficulties which the Neutral Nations Repatriation Commission are having with the anti-Communist prisoners than has appeared in the press. They sent a message to the UNC asking for details but the reply said that the UNC itself has not been provided with adequate reports by the Neutral Repatriation Commission.

2. It is known that the Indian guards opened fire on prisoners who were taking advantage of disturbances to attempt to escape. The chief Indian representative on the Commission has issued a statement expressing regret but maintaining that order has to be kept.

3. So far as opinion in this country is concerned, the shooting has unfortunately come at a time when there is keen resentment about certain actions of the Neutral Nations Repatriation Commission. The United States regards as violations of the spirit of the Armistice Agreement, although not of its letter, the terms of the rules formulated by the Neutral Commission for interviewing prisoners and the implications of an official statement distributed to the non-repatriable Chinese and North Korean prisoners by the Repatriation Commission on September 28 (the text of this statement was reprinted in the New York Times). The United States Government takes particular exception to compulsory interviews and failure to put what they consider a reasonable time limit on individual interviews. They fear this might result in some prisoners being questioned for days on end. The State Department consider the Commission's official statement more objectionable than the rules of procedure.

4. We have sent in today's bag copies of letters from General Hamblen on behalf of the UNC to General Thimayya, Chairman of the Neutral Nations Repatriation Commission, protesting against the rules of procedure and the Repatriation Commission's statement to the prisoners.† The New York Times of October 2 carried on page 4 a protest about the Neutral Commission's actions sent to Mr. Dulles, Mr. Hammarskjold, and to the Swiss, Swedish and Indian Embassies in Washington, by various groups in the United States including the American Federation of Labour, the Congress of Industrial Organizations, the American Legion, and the Post-War World Council (Norman Thomas, Chairman). The United States Government has instructed its representatives in the capitals of the five countries serving on the

Neutral Repatriation Commission to transmit to these governments the text of the American group's protest; to observe that it generally reflects the view of the United States Government; and to express the hope that the Neutral Nations Repatriation Commission will observe the spirit as well as the letter of the Armistice Agreement. State Department officials say that they do not expect this demarche to achieve anything, but it was considered necessary to record it.

5. The State Department told us that George Allen had an interview with Mr. R.K. Nehru to protest the terms of the Repatriation Commission's statement to the prisoners. Nehru saw nothing wrong with the statement. You will doubtless have seen Walter Waggoner's article in today's New York Times stating the opinion of neutral observers in support of the Repatriation Commission's activities.

6. The State Department have sent a message to the Commander-in-Chief, UNC, drawing his attention to the omission in the Neutral Repatriation Commission's rules of procedure of any provision for the presence of press observers during the interviews (as agreed at Panmunjom). The Department have suggested that, in view of the nature of the rules of procedure, the presence of press observers at the interviews might be a safeguard. They realize, however, that some prisoners being interviewed might not wish to be named in the press. They are at present, therefore, not insisting on this point but are merely asking C-in-C, UNC, for his opinion on this point.

7. The State Department asked the American Embassy in Seoul for a report on the remarks which the ROK Acting Foreign Minister made threatening possible use of force against the Indian troops. We have been told that on receipt of the report the State Department "at a very high level" (presumably the Secretary of State) summoned the Korean Chargé d'Affaires and informed him of the United States' strong objection to the statement. A message to this effect is also being conveyed by the United States Government direct to President Rhee tomorrow. The State Department officials have assured us that of course the United States would not countenance such action by the Koreans.

8. I shall send you another message in the morning reporting my conversation this evening with Murphy. It will contain nothing much which is new.

173. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2255 Washington, October 6, 1953

CONFIDENTIAL. IMPORTANT.

KOREA — IMPLEMENTATION OF ARMISTICE AGREEMENT

Reference: My WA-2252 of October 5.
Repeat Permdel No. 388; London No. 76.

1. Murphy saw me late yesterday afternoon. Raynor was with him. My ostensible purpose was to inform the State Department that, following my report of the explanation made by the Secretary of State in our interview of September 30 (our WA-2230 of October 1), you had decided that no Canadian intervention with India would be made. I took the opportunity, however, of expressing your anxiety concerning developments in Korea itself, in view particularly of the inflammatory attitude of the South Korean authorities. I enquired what news the United States had and what courses they were considering in the (now) likely event that no political conference could take place.

2. Murphy was inclined to think that the gravity of the local situation was being exaggerated; for his own part, he took the provocative South Korean statements "with a warehouseful of salt". He did not think that they seriously intended to attack the Indian troops. In this latter connection it was to be remembered that the twenty ROK divisions were to the right of the line and that between them and the point at which the Repatriation Commission and prisoners were located were the First United States Marine and Commonwealth Divisions. To get at the Indians, the ROKs would either have to go through the latter or move into the demilitarized zone, which would constitute a major breach of the armistice. In answer to my question, he said that the United Nations forces would certainly not, repeat not, stand idly by in the event of ROK action against the Commission's troops.

3. Concerning the difficulties over procedure for interviewing the non-repatriables, Murphy was relatively mild in his criticism of the Indians. (This morning's newspaper reports suggest that some of the difficulty may have been due to inaccurate translations.) Murphy thought that the reference to eight hours a day for interviews was intended simply to indicate that interviewable POW's would be "available" during an eight-hour day, not that they would be subjected to eight-hour questioning —obviously this would be impossible in the time available.

4. Although I am coming to think that Murphy will always be soothing and attempt to be reassuring whatever the circumstances, he did give me the impression that United States authorities were aware of the delicacy and danger of the local situation, also that the United States would be firm with South Korea. He was not able to enlighten me on alternative courses in the event of there being no political

conference, but he did point out in this connection that even if the conference were not held, this would not mean the resumption of hostilities; the situation might remain for some time similar to that which still exists between Israel and her Arab neighbours.

5. The most interesting thing that Murphy told me was that the United States would summon for today or tomorrow (October 6 or 7) a meeting of representatives of those countries having combatant troops in Korea to consider with them a further communication to the Communists on behalf of the United Nations Command. On my questioning him concerning its nature, he told me that the draft on which they were then working was a "follow-up" message and that it was limited to the proposed meeting on "when and where" the conference should take place.

174. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2262 Washington, October 6, 1953

SECRET. IMMEDIATE.

KOREA — POLITICAL CONFERENCE

Reference: Teletype WA-2255 of October 6, 1953 - para 5.
Repeat Candel No. 4; repeat London No. 77.

At a regular State Department meeting on Korea today Murphy read out the following message which had been prepared in the department for transmission through the Swedish Government to the Chinese Communist and North Korean authorities, Text begins: "The United States Government has not received any replies to the messages which it transmitted to you through the courtesy of the Swedish Government on September 5, 19 and 24.[57]

"The governments which are to participate in the conference for our side have been designated and are ready to proceed with the conference as soon as necessary preliminary arrangements are agreed to by your side. For this purpose, the United States Government has been requested, after consultation with the other participants for our side, to communicate with you and to agree on the necessary arrangements. As stated in the message communicated to you on September 5, the United States Government is of the opinion that Honolulu, San Francisco or Geneva would

[57] Le message des États-Unis le 24 septembre était un extrait de la déclaration de l'ambassadeur Lodge. Voir Nations Unies, *Documents officiels de l'Assemblée générale, huitième session, séances plénières*, 440e séance, 22 septembre 1953, pp. 80-81.
The United States message of September 24 consisted of an extract of a statement made by Ambassador Lodge the previous day. See United Nations, *Official Documents of the General Assembly, Eighth Session, Plenary Meetings* , 440th meeting, September 22, 1953, pp. 76-7.

provide facilities conducive to the success of the political conference. In that message the United States also proposed October 15 as an appropriate date for the conference to begin. Our side wishes to complete the preliminary arrangements as soon as possible so that the conference can begin on that date or as soon thereafter as practicable.

"The United States Government again enquires whether these suggestions for the time and place of the conference are acceptable to the authorities of the other side. As you have been informed, the United States is also prepared to despatch a representative to meet with your representative in any of the places named above in order to seek agreement on the necessary arrangements so as to make possible earliest convocation of the conference. The United States representative would be prepared to agree on a time and place for a conference and to exchange views looking towards early agreement on procedural, administrative and related questions as to arrangements which it might be appropriate to discuss before the conference begins.

"It will also be open to your side to raise other matters at the conference itself at an appropriate time.

"The arrangements for our side were approved by the General Assembly on August 28 after careful consideration of alternative proposals. Efforts to have the Assembly reconsider these matters have been rejected. The arrangements approved on August 28 therefore stand. These arrangements are entirely reasonable and will permit effective implementation of the recommendations contained in article 60 of the armistice agreement, which your side proposed and pressed for and to which both sides agreed. Our side is prepared to negotiate in all reasonableness and good faith. If your side has any intention of carrying out the recommendation contained in the armistice agreement and of participating in a Korean political conference looking towards the peaceful settlement of the Korean question and the withdrawal of foreign forces from Korea, etc., there can be no reason for your side to refuse to get on with the conference.

"An early expression of your views on the matters raised in these messages is imperative if the Korean political conference recommended in the armistice agreement and approved by the General Assembly is to take place within the time set forth in the armistice agreement." Text ends.

2. My immediately following teletype refers.

175. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2263 Washington, October 6, 1953

CONFIDENTIAL. IMMEDIATE.

KOREA — POLITICAL CONFERENCE. STATE DEPARTMENT MEETING OF TUESDAY, OCTOBER 6.

Reference: My immediately preceding teletype No. 2262.
Repeat Candel No. 5; London No. 78.

Murphy said that the message to the Chinese Communist and North Korean authorities had not yet been given final approval, but it would probably be sent very soon, perhaps tonight, in substantially the form which he gave us.

2. He said that while the message did not reflect a change in the United States position, the Administration considered that an urgent follow-up to their previous messages to the Communist authorities was necessary as a demonstration of the anxiety of the United States to have the conference begin.

3. He was questioned about the implication of the passage which reads that the United States representative would be prepared "to exchange views looking towards early agreement on procedural, administrative and related questions as to the arrangements which it might be appropriate to discuss before the conference begins". He was asked specifically whether this could be interpreted to mean that the United States representative at a preliminary meeting with the Communists would be prepared to discuss the question of additional participation in the conference. Murphy replied that the Communists could, of course, raise any matter they wished at a preliminary meeting and the United States representative would not refuse to listen, but he would not be empowered, at this preliminary meeting, to go beyond the terms of the General Assembly resolution of August 28. It would not appear therefore that the new message advances the United States position beyond that described in my messages reporting the recent conversations I have had with Murphy.

4. The British Embassy, on instructions from the Foreign Office, have suggested to the State Department that a new message to the Communists might do more harm than good, if it did not explicitly state that the United States representative at a preliminary meeting would be able to discuss widening the participation in the conference. The State Department take the view that another message, even if it does not alter the basic position, should be helpful in indicating that the United States really wants a conference.

176. DEA/50069-A-40

Le premier secrétaire du haut-commissariat de l'Inde au secrétaire particulier du premier ministre

First Secretary, High Commission of India, to Private Secretary to Prime Minister

SECRET Ottawa, October 7, 1953

Dear Mr. Asselin,[58]

Please refer to our telephone conversation this morning regarding the delivery of the message we have received from our Prime Minister to the Honourable Prime Minister of Canada. As advised by you, I am enclosing the message herewith and will be grateful if you could kindly give it to your Prime Minister as soon as possible today.

Yours sincerely,
S. GUPTA[59]

[PIÈCE JOINTE/ENCLOSURE]

Le premier ministre de l'Inde au premier ministre

Prime Minister of India to Prime Minister

SECRET [New Delhi, n.d.]

You will no doubt have followed recent developments in Korea which are causing us the gravest concern. India undertook to discharge grave responsibility there on assurance of United Nations Command that they would ensure proper and peaceful conditions for the Repatriation Commission to work in.

Prisoners of war in United Nations camps have behaved in a most aggressive and indisciplined manner and attacked guards. They have attempted mass breakouts from camps. Custodian forces have behaved most patiently, but were compelled on one or two occasions to use force to prevent this break out from camps. This resulted in two or three prisoners of war being killed and some wounded.

South Korean authorities are continually inciting prisoners of war to rebel and break out from camps. They are vilifying Repatriation Commission and custodian forces, and South Korean Minister for Foreign Affairs has threatened to march his army against custodian forces.

Repatriation Commission has explained terms in armistice agreement to prisoners of war and pointed out that they are required to appear to listen to explanations. Unless this is done whole purpose of Repatriation Commission will be defeated. It appears many prisoners of war are anxious to go to Repatriation Commission, but are being coerced and prevented from doing so.

[58] Pierre Asselin.
[59] Dr. S. Gupta.

You will appreciate that the situation is a very grave one and Repatriation Commission and custodian forces are entitled to full support from the nations at whose instance they went there. The honour of India is concerned in this matter, but I would specially lay stress on the consequences to world peace in which you are so greatly interested. We have addressed the United States Government in this matter and requested their help. I shall be grateful if you will exercise your influence to prevent the rapid deterioration that is taking place in Korea and to enable Repatriation Commission to do its work peacefully.

JAWAHARLAL NEHRU

177. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire de l'Inde

Secretary of State for External Affairs to High Commissioner of India

SECRET Ottawa, October 8, 1953

Dear Mr. Saksena,[60]

I have been asked by the Prime Minister to acknowledge the message sent by your Prime Minister to Mr. St-Laurent, concerning Korea, and to request you to be good enough to forward the attached reply to Mr. Nehru.

We assume that these messages are not to be made public.

Yours sincerely,

L.B. PEARSON

[PIÈCE JOINTE/ENCLOSURE]

Le premier ministre au premier ministre de l'Inde

Prime Minister to Prime Minister of India

SECRET Ottawa, October 8, 1953

Following for Prime Minister Nehru from Prime Minister St-Laurent, Begins: I should like to assure you that I and my colleagues share fully your grave concern over the situation regarding the prisoners of war in Korea to which you referred in your message to me of October 6. We recognize the very difficult situation confronting your forces in Korea and admire their behaviour and discipline in the face of severe trials.

As soon as reports reached us of threats and possible danger to the Repatriation Commission, immediate enquiries were made in Washington, and we expressed our apprehensions to the authorities there. Steps have already been taken by the United States, as you may know, to restrain any rash action by the Republic of Korea, and

[60] R.R. Saksena.

we have been assured of their determination in Washington to stand by the Armistice Agreement.

It has seemed to us that a difficult situation was exacerbated by widespread misunderstanding or ignorance of the actual arrangements agreed upon or contemplated by the Repatriation Commission. Very recent statements by Indian and Swedish spokesmen have indicated that the earlier interpretations were unfounded, but as passions have already been unhappily roused I think it would be very helpful if an explicit statement could be issued as soon as possible explaining the arrangements to interview the prisoners in order to set at rest any anxiety or suspicion which might exist that undue pressure would be exerted.

The American Government has in its turn stated to us its worries that the Communist members of the Commission are obstructive and tendentious, are giving the Communist Command full and direct knowledge of the Commission's proceedings, concerning which the United Nations Command is ill-informed. This reinforces in our view the necessity for full, accurate and public information of what is going on.

We, in Canada, are very conscious of the fact that in accepting the execution of this extremely onerous and important task, India has made an indispensable contribution to the achievement of a settlement in Korea and our desire is to support you wholeheartedly.

I can assure you that we will continue to do what we can, through our contacts in Washington, to prevent any further deterioration in the situation in Korea, and to strengthen the position of the Repatriation Commission, as established by the Armistice Agreement and United Nations resolutions. Ends.

178. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1670 Ottawa, October 8, 1953

CONFIDENTIAL. IMPORTANT.

KOREA — POLITICAL CONFERENCE

Reference: Your telegrams Nos. WA-2262 and 2263.
Repeat Candel No. 70; London No. 1570.

I understand from your telephone conversation that the message to the Chinese Communists, read to you by Murphy, has already gone, so there is no possibility of consultation concerning it.

2. The message, as you reported it, clearly represents the American point of view, but makes little, if any allowance for the views which have been expressed to the Americans on this matter by ourselves and, no doubt, by other members of the group of 15. This is unfortunate as the Americans in their message purport to speak

for that group. Perhaps some advance is marked in this instance by the fact that we have at least been shown the message before it was sent. However, its text does seem to be a good deal more controversial than the previous ones which did, in general, represent a consensus of opinion, and concerning which consultation was probably not necessary.

3. My own feeling is that the message may, as the British suggest, do more harm than good because it does not contain any assurance that the question of widening participation in the Political Conference could be discussed in the preliminary talks between envoys or at the beginning of the Conference itself. Certain passages, such as paragraph 4, may be intended to suggest a more flexible attitude on this subject, but they are ambiguous in meaning and may not represent any change in the present position. As such, they are not likely to appeal to the Chinese. It may be, however, that they were intended primarily to appeal not to the Chinese but to other members of the group, though to me personally they merely suggest a continuance of what is apparently the present policy of mystification or, if you like, flexibility without interpretation. This may be sound policy in respect of the Chinese Communists, but surely it is not necessary to be quite so mysterious with friends.

4. The 5th paragraph seems to me to be somewhat unfortunately drafted if it is intended to facilitate negotiation. I do not think one can quarrel with the arguments advanced, but the pugnacious tone does give the impression that the door is being slammed and the language certainly drives home the "two sided" character of the conference. Ends.

179. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs to High Commissioner in United Kingdom

TELEGRAM 1579 Ottawa, October 9, 1953

SECRET

KOREAN POLITICAL CONFERENCE

Following for High Commissioner, personally, from the Minister, Begins: I have been thinking, as no doubt a lot of other people have, about what might be done to break what seems to be a deadlock in regard to the holding of the Korean Political Conference. Of course, it is possible that the Communists might, at the last moment, accept the UN terms for the Conference, or suggest some minor modifications that the UN could accept, but this is only a possibility and if it does not materialize we shall certainly have to have a new look at the position.

2. I notice that the French Government on Wednesday are reported to have advocated a Five Power meeting on the Far East, quite separate from a Four Power meeting on European problems. This, of course, would be very difficult for the United States unless the proposal were wrapped up in some way which would be

acceptable to opinion there. The idea has occurred to me that the Korean Political Conference with its composition altered might be suitable for this purpose. The five countries concerned would all be at this conference, plus a number of others. If all the rest of us (except the two Koreas, who would have to be there for Korean purposes) could withdraw by a self-denying ordinance, you would have your Five Power conference for a general Far Eastern discussion without having to establish any new mechanism or, indeed, without having to alter the existing UN Assembly resolution setting up the Conference. Under that resolution we have the right to attend, but are under no obligation to do so. It might, therefore, be possible for the 7 or 8 participating countries who are contemplating attendance to withdraw, which could be done merely by announcing the fact that they did not wish to exercise their right. A composition reduced in this way would not only be suitable for general discussions, but might make it easier for the Communists to accept it for Korean discussions. I agree that it would mean that Canada, for instance, would have no direct voice in the Korean political settlement, but that might not be a very high price to pay if withdrawal would serve a useful general purpose. In any event, we would be kept closely informed by the Americans and the British of conference developments, and no decisions could be taken directly affecting Canada or Canadian troops without our agreement. Of course, countries like Australia and Turkey might be more reluctant to absent themselves, but they also might be willing to do so if the general advantage was great.

3. I have discussed this matter with the Prime Minister, who would be agreeable to Canadian abstention from the conference in the above conditions. I also mentioned it informally and very tentatively this morning to the French Ambassador, who was calling on me.

4. The Americans, of course, might have nothing to do with such a proposal. On the other hand, it might conceivably appeal to them in view of their expressed desire to be as flexible as possible in Far Eastern affairs.

5. I would be grateful if you would discuss the suggestion with Mr. Eden, to whom it might make an especial appeal in view of the ideas he put forward in his speech yesterday at Margate. Indeed, that speech, as much as the French proposal the day before, put the idea into my own mind. Ends.

180. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1591 Ottawa, October 10, 1953

TOP SECRET. IMPORTANT.

KOREAN PEACE CONFERENCE

Reference: Tel. No. 1579 Oct 9.

One omission in my 5 Power suggestion will have occurred to you, namely the absence of Asian "neutral" representation. In the context of the new composition, this may not be so important as previously, but possibly could be provided for by some such formula as Indian representation when required as Chairman of NNRC — a formula put forward by Dulles himself in Washington last week, I think to Heeney. With India present in that capacity it would be easier to include her later in any more general Asian discussions if desired. Ends.

181. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2302 Washington, October 10, 1953

CONFIDENTIAL. IMMEDIATE.

KOREA — POLITICAL CONFERENCE

Repeat London No. 86; Candel No. 18.

My immediately following teletype contains the unofficial text, as monitored from the Peking Radio, of a communication to the United States Government addressed through the Swedish Government from the Central People's Government of China in reply to the United States Government's notes of September 19 and 24 and October 9. The State Department are not prepared to comment on the substance of the communication at this time in the absence of an official text from the Swedish Government and with Mr. Dulles away from Washington until Monday. If pressed, State Department information officers may say that the unofficial text is being studied and may observe that it is not an absolute acceptance of the United States messages on a preliminary meeting because it says there must be settlement of the question of the composition of the political conference.

2. Arthur Dean is coming to Washington on Sunday night and Dulles, Dean and Robertson will discuss the United States attitude towards the Communist communication on Monday. We told the State Department that we would like to be informed as soon as possible of the United States reaction to the Communist message and we expressed the hope that there would be no question of summary rejection because of the sentence about settling the question of composition of the conference.

182. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2303 Washington, October 10, 1953

KOREA — POLITICAL CONFERENCE

Reference: My immediately preceding teletype.

Repeat Dominion London No. 87; Candel New York No. 19.

Following is unofficial text of the Communist communication to the United States Government, Begins: The Central People's Government of the People's Republic of China has noted and has, together with the Government of the Democratic People's Republic of Korea made a study of the three communications of the United States Government transmitted through the Swedish Government on September 19 and 24 and October 9, respectively. I am now authorized to state, on behalf of the Central People's Government of the People's Republic of China as follows:

1. On September 13 and 14 respectively, 1953, the Central People's Government of the People's Republic of China and the Government of the Democratic People's Republic of Korea put forward, in their cables in reply to Mr. Dag Hammarskjold, Secretary General of the United Nations, four proposals which provide that the 8th Session of the United Nations General Assembly should take speediest steps to enlarge the composition of the political conference, so that this conference might be convened speedily. These proposals have officially been communicated to the 8th Session of the United Nations General Assembly by the Secretary General of the United Nations. Mr. Andrei Vyshinsky, Head of the Delegation of the Soviet Union to the United Nations, by letter dated September 18 addressed to the President of the 8th Session of the United Nations General Assembly, asked to have the above-mentioned proposals of the Government of the People's Republic of China and the Democratic People's Republic of Korea included in the agenda. However, the 8th Session of the United Nations General Assembly has refused to include them in its agenda, the Central People's Government considers this to be an indication that the United Nations General Assembly goes against the principle of peaceful negotiation of international disputes, which is unreasonable, and it expresses deep regret at it.

2. The Central People's Government of the People's Republic of China holds all along that the political conference should not be a repetition of the form of Panmunjom negotiations, but should have the participation of neutral nations concerned so as to facilitate the smooth proceeding of the conference and thereby to seek a settlement of the withdrawal of all foreign forces, the peaceful settlement of the Korean question and other questions. However, the United Nations General Assembly has spurned the purposes and principles of the United Nations Charter by assuming the position of one of the belligerent sides in Korea, and, bowing to the views of the minority who oppose the participation of India in the political conference, has deprived the greatest majority of members of the United Nations of the right to settle international disputes by peaceful means in accordance with the Charter. The Central People's Government deems that such actions taken by the United Nations General Assembly cause the United Nations to lose more of its prestige which is nearly completely forfeited and that they enable people to see more clearly that the United Nations is continuing to serve the interests of the aggressors in creating international tension.

3. Nevertheless, for the purpose of insisting on the policy of peaceful settlement of the Korean question to facilitate the consolidation of peace in Asia, the world, and of expediting the speedy convocation of the political conference, the Central People's Government of the People's Republic of China, after consultations with the Government of the Democratic People's Republic of Korea, agrees that the Governments of the Democratic People's Republic of Korea and the People's Republic of China will appoint representatives to meet with the United States representative to hold discussions on the question of the political conference.

4. These discussions not only should settle the questions of place and time of the political conference, but what is more essential, should settle the question of composition of the political conference.

5. Since these discussions are confined to the two belligerent sides in Korea, it is appropriate that the place of the discussions be Panmunjom, Korea. Ends.

183. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2306 Washington, October 12, 1953

SECRET. IMMEDIATE.

KOREA — POLITICAL CONFERENCE

Reference: WA-2302 and WA-2303 of October 10.
Repeat Candel No. 21; London No. 89.

Murphy and Arthur Dean called a meeting at three o'clock this afternoon of the Ambassadors of the countries customarily represented at the regular meetings on Korea to discuss the proposed United States reply to the Chinese communication of October 10 to the United States Government. The draft of the United States message, as circulated to the meeting, is contained in my immediately following message.

2. Murphy said that the Administration considered it an urgent matter to reply to the Communist message of October 10 in order to demonstrate that the United States means what it said about a preliminary meeting to facilitate holding of the political conference. He hoped that it would be possible to transmit the message after the meeting, since a reply from the Communists could hardly be expected within three days.

3. Dean intervened to say that, if there could be an affirmative reply from the Communists by October 16, the United States representative (we have been told that this will probably be Dean himself) might be able to leave this country on October 22, arriving in Seoul on October 24. This would permit him to call on President Rhee before the preliminary meeting with the Communists began, a step to which the United States attached importance. Dean said that he thought it would be psychologically a good thing to have the preliminary meeting begin not later than October 26, that is, two days before the time which might be regarded as a deadline for the political conference both by Rhee and the Communists.

4. Opinion at the meeting was in agreement with the United States view that a speedy reply to the Chinese was essential, particularly since the Communists might regard October 28 as an absolute deadline so far as the holding of a Korean political conference was concerned. Scott, who was attending for the British in the absence from Washington of Makins, said that he would have liked to have had time to obtain government approval of the text but in view of the time element, he was ready to concur in the immediate transmission of the message, if no objections were raised, because the British considered that the message might well lead to a preliminary meeting in Panmunjom. (The British Embassy told us privately that the position taken by Scott was a result of a telephone conversation with Eden early

this afternoon). Spender also said he was prepared to give immediate concurrence to the communication.

5. In these circumstances the efforts of representatives at the meeting were directed towards clarifying the intent of the message rather than insisting on textual changes. In this regard, particular attention was paid to the final sentence of the draft, in order to make sure that this sentence was not intended to prevent the United States representative from participating in any discussion at all on the question of composition of the political conference. The answers to the questions raised about this sentence showed that there has been no recession from the United States position in this respect as previously explained to us and that the message was an attempt to state the position in such a way as to avoid misunderstanding and at the same time show a desire to meet with the Communists at Panmunjom.

6. I said that I assumed the wording of the last sentence should not be taken to imply any limitation on the part of the United States emissary to listen to and report back about any subject which the Communists' emissary might wish to raise, particularly on the subject of representation at the conference. This was confirmed by both Murphy and Dean.

7. The State Department representatives agreed with a gloss put on the message by Spender. He pointed out that the Communists' representative will be able to "get things off his chest" at Panmunjom. At such a preliminary meeting one would not expect the United States emissary, who will in reality be representing the United Nations, to take a rigid attitude on any question. He may agree on time and place for a conference; on other matters relating to the holding of the conference he would be expected to obtain the views of the Communists and report back. In this way a preliminary meeting should help to get the conference going.

8. The Belgian Ambassador put it in another way: that the message represented some advance in the situation in that the authority of the United States representative to exchange views gave him a certain latitude, without departing from the principle established by the United Nations resolution of August 28.

9. I said that we regarded this idea of latitude as important. I asked whether I was right in understanding that the United States representative could talk about questions raised by the Communists such as the composition of the political conference. Murphy said that he would be able to talk about such questions; in doing so, he would probably take the position (stated in previous United States messages to the Chinese) that the question of extending the membership could be taken up by the conference itself.

10. I said that we appreciated the desirability of taking swift action to get the preliminary meeting of emissaries and the political conference going. For this reason, while it would have been better if the Canadian Government could have had time to consider the text before its transmission, I realized the special urgency in this case and would not wish to be the one to cause a delay in replying to the Chinese. (In view of the urgency the elucidations of intent are, in my opinion, about the best that we could have obtained from the Americans.)

11. When the French Ambassador referred to obvious objections to the communication which might be raised by the Chinese, if they wished, Murphy replied that

he thought that their attitude towards the United States note depended on whether they really wished a preliminary meeting or a conference to take place. If they did wish a conference (and the United States were now inclined to think that they did) they would not be likely to reject the United States agreement to meet them at Panmunjom.

12. The intention was that the communication to the Chinese and North Korean authorities should be despatched immediately via the Swedish Government and the text made public at 6:00 a.m. Washington time, October 13.

13. State Department officials have pointed out to us that the United States message has been deliberately drafted in such a way that it does not require another written reply. All that will be necessary will be for the Chinese Government to inform the Swedish Ambassador in Peking that a specific date for the meeting at Panmunjom is agreeable.

14. I expect to see Dean on Wednesday when I shall take up with him the difficulty about consultation which you spoke of in our telephone conversation a few moments ago.

Note: Passed to London October 13, 1953.

184. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2307 Washington, October 12, 1953

SECRET. IMMEDIATE.

KOREA — POLITICAL CONFERENCE

Reference: My immediately preceding teletype.
Repeat Candel No. 22; London No. 90.

Following is text of message to Chinese and North Korean authorities, Begins: "The Government of the United States has noted the communication of the Central People's Government of the People's Republic of China and the Democratic People's Republic of Korea dated October 10, 1953, having reference to the communications of the United States Government of September 19, 24, and October 9. The United States Government notes that your side has agreed to appoint representatives to meet with the United States representative to hold discussions on the question of the forth-coming political conference on Korea.

"The United States representative will be prepared to meet with your representatives at Panmunjom on October 26. It should be understood that our agreement as to this site for the meeting of the emissaries is not to be considered as any indication that our side considers Panmunjom as a suitable site for the political conference.

"Article 60 of the Armistice Agreement, which contemplated that the political conference should be restricted to the governments concerned on both sides, was drafted initially by your side. Indeed your spokesman General Nam Il insisted that participation be limited to the governments concerned on both sides since some members of the United Nations had not sent troops to Korea. It is not correct, therefore, to say that your side held all along that neutral nations should participate in the conference.

"The composition of our side has been set forth in the resolution adopted by the General Assembly on August 28 in accordance with Article 60 of the Armistice Agreement signed on July 27. The General Assembly also recommended that the Soviet Union could be included provided your side desires it.

"The United States, after consultation with the other governments participating on our side, has authorized its representative to agree on a time and place for a conference and to exchange views looking toward early agreement on procedural, administrative, and related questions as to arrangements which it might be appropriate to discuss before the conference begins. Our representative therefore will be prepared to deal with such questions and will also be prepared to exchange views on composition of the political conference to the extent consistent with the basis above set forth in the preceding paragraphs. Ends.

Note: Passed to London October 13, 1953.

185. DEA/50069-A-40

Le haut-commissaire de l'Inde au premier ministre

High Commissioner of India to Prime Minister

SECRET Ottawa, October 13, 1953

Dear Mr. Prime Minister,

I am enclosing a copy of a message received by me from Prime Minister Nehru in reply to your message of the 8th October 1953, which I had communicated to him.

Kind regards.

Yours sincerely,
R.R. SAKSENA

[PIÈCE JOINTE/ENCLOSURE]

Le premier ministre de l'Inde au premier ministre

Prime Minister of India to Prime Minister

SECRET [New Delhi], October 13, 1953

I am grateful to you for your message which our High Commissioner in Ottawa has sent to me. I entirely agree with you that some at least of the misunderstandings that have arisen can be removed by fuller explanations. I have suggested this course

to the Chairman of the neutral nations Repatriation Commission. In fact, in some matters he has already removed some existing misunderstandings.

The Commission has to face an exceedingly difficult situation. The behaviour of the majority of the prisoners of war has been violent and aggressive in the extreme and, according to reports, any person disagreeing with the majority is dealt with in a summary fashion. I have NO desire to interfere with the discretion of the Repatriation Commission who will have to use their judgment in meeting the situation as it arises.

JAWAHARLAL NEHRU

186. DEA/50069-A-40

Le secrétaire d'État aux Affaires étrangères du Royaume-Uni au secrétaire d'État aux Affaires extérieures

Secretary of State for Foreign Affairs of United Kingdom to Secretary of State for External Affairs

[London], October 14, 1953

My dear Mike [Pearson],

I have been carefully studying your proposal that a five-Power conference on the Far East, which could discuss Korea, might be developed out of the Assembly resolution on the calling of the Korean Political Conference.

It seems to me that this might well prove a way out if the other efforts which are now being made fail to provide a solution. Since you put the proposal forward the Chinese have agreed, on conditions, to the United States suggestion for a meeting of emissaries, and the United States Government have sent a further message in reply. I am sure you will agree that we should wait to see how this goes before launching an alternative solution.

Let us keep in touch and see how matters develop. Please do not hesitate to let me know if you have any further ideas, and I will do the same.

Sincerely,

ANTHONY [EDEN]

187. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 198 New York, October 15, 1953

CONFIDENTIAL

KOREA — POLITICAL CONFERENCE

Repeat Washington No. 86; London.

1. Hoppenot told me this afternoon that the French Foreign Office was much interested in a suggestion which they understand emanated from you to the effect that Canada might be persuaded not to press for participation in the conference if the participants were limited to North and South Korea, Communist China, the USSR, the United States, the United Kingdom and France. Hoppenot added that the French Government is very anxious that the conference should take place. This seems a method of making it easier for the Communists to participate in a conference without insisting on the inclusion of neutrals. Hoppenot thought that Mr. Bidault might mention this suggestion to his United States and United Kingdom colleagues in London over the weekend.

188. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-1729 Ottawa, October 16, 1953

SECRET

KOREA — POLITICAL CONFERENCE

Reference: Your telegrams Nos. WA-2306 and WA-2307.
Repeat Candel No. 102; London No. 1616.

For some time I have been concerned with the apparent inadequacy of consultation between the United States and members of the group of fifteen countries primarily concerned with Korea. The most recent United States communication to the Chinese and North Korean authorities provides another instance when the existing method of consultation was not satisfactory. I accept the urgency of such a message going forward as of October 12 when the State Department held a meeting with representatives of the governments concerned on this matter. However, since the United States message was in reply to a Communist message of October 10, why

should there have been a delay in the United States informing us of reactions to the latter communication. It seems apparent that the United States received the Communist message, decided on a reply and then, on the grounds of urgency, presented us with the virtual *fait accompli*. It is quite clear that no representative had an opportunity to consult with his government in these circumstances. In other circumstances, which the State Department could have devised, I think that there would have been some opportunity to consult.

2. In my teletype EX-1670 of October 8, I indicated regret at the failure of the State Department to consult with us concerning an earlier message to the Chinese Communists. If possible, the situation seems to be getting worse.

3. I attach considerable importance to the United States consulting us adequately on future developments concerning the Political Conference. I should be grateful, therefore, if you would raise, at an appropriate level in the State Department, the view that, if at the forthcoming meeting in Panmunjom the other side puts forward proposals which do not fit within the narrow interpretation of the relevant United Nations resolution, such proposals should not be turned down out of hand but should be made the subject of real consultation with representatives of the group of fifteen.

189. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2353 Washington, October 16, 1953

SECRET

KOREAN POLITICAL CONFERENCE — CONSULTATION

Reference: Your EX-1729 of October 15th.
Repeat Candel No. 26; London No. 92.

1. On this subject I had expected to see Arthur Dean before now, but he has been delayed in New York and it seems unlikely that I will now be able to get to him until the beginning of next week. As you know, I had intended to follow up with him this matter of adequate consultation.

2. With respect to your paragraph 3, it was understood at the meeting of October 12th that the United States emissary would report back particularly concerning the exchange with the Communists on the question of membership and that the United States Government would consult then with the representatives in Washington of the other United Nations combatant countries.

3. It should perhaps be said in mitigation of the United States procedure prior to the meeting of October 12th that Dulles returned to Washington on the 12th and Dean late on the night of October 11th and we understand that they only got to-

gether on the 12th concerning the reply. Campbell[61] was given a draft before 1 p.m. October 12th and the meeting was held at 3 p.m. This admittedly did not leave much time, but if it had not been Thanksgiving Day in Ottawa I would at least have had an opportunity of a telephone call.

4. If I am unable to see Dean by Monday next, I would propose to take this matter up with Murphy, and it may be that you yourself will have an opportunity of mentioning our anxieties on this score when you see the Secretary of State next week.

190. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2371 Washington, October 19, 1953

SECRET. IMPORTANT.

KOREA — POLITICAL CONFERENCE

Repeat Candel No. 31; London No. 93.

The official text of the message from Communist China and North Korea agreeing to the proposal for a meeting of emissaries at Panmunjom on October 26th has not been received. On the basis of the Peking Radio reports of the Communist message, however, the State Department seem to be proceeding on the assumption that the meeting at Panmunjom will take place. A meeting with the ambassadors of the 15 powers concerned with Korea has been called for three o'clock tomorrow afternoon to discuss "Arthur Dean's proposed trip to Panmunjom". Dean's party may leave on Wednesday.

2. We have been told by the British Embassy that Selwyn Lloyd, who has just arrived in New York from London, will deny the Associated Press story from London that "the Western Powers... have secretly agreed on a new plan for Korean peace conference to be attended by the Big Five and both North and South Korea." The British Embassy, at Lloyd's request, checked with Mr. Dulles this morning and the Secretary of State apparently said he agreed with the line to be taken by Lloyd. On the other hand, Kenneth Young, Director of the Office of Northeast Asian Affairs at the State Department, who is going to Panmunjom with Dean, told us this morning that he supposed that the plan referred to in the Associated Press report from London would be talked about at Panmunjom.

---

[61] P.G.R. Campbell, premier secrétaire, ambassade aux États-Unis.
P.G.R. Campbell, First Secretary, Embassy in United States.

191. DEA/50069-A-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 260 New Delhi, October 20, 1953

SECRET. IMMEDIATE.

KOREA

Reference: My telegram No. 244 of October 12th.†

On the Prime Minister's instructions the Foreign Secretary showed me this morning the United States aide mémoire of about October 16th replying to the Indian aide mémoire of October 7th and went over with me the latest developments. He has also seen the representatives of Sweden, Switzerland, the United States and United Kingdom, but not the French since no senior French diplomat is in New Delhi.

2. I assume that our Washington Embassy can let you have full information on the United States aide mémoire without disclosing that the Indians gave me the text of the Indian aide mémoire. The Prime Minister will probably approve tomorrow a reply to the United States counter charge that the Commission's rules are improperly biased in favour of repatriation and could be interpreted to imply coercion of prisoners.

3. The following two paragraphs represent Foreign Secretary's summary of present situation.

4. The Commission is unanimously of the opinion that the purpose of the armistice agreement would be [*sic*] if prisoners do not appear before the explanation panel. The United Nations Command take opposite view and the prisoners knowing this are encouraged in their recalcitrance. The United Nations Command has hitherto failed to agree with the Indian request that they issue an appeal to prisoners to appear peacefully. Thimayya[62] considers that heavy casualties would result from use of force to make the North Koreans appear. The Indian custodian force is nevertheless prepared to use force but in view of international political implications will do so only at the unanimous request of the Commission. The Swiss state that they would withdraw from the Commission if force is used for this purpose. The Swedes state that the question does not arise at this stage since the Commission can go ahead with the interviewing of the Chinese prisoners who so far have been willing to come without use of force. The Czechs and Poles claim that a show of force would be sufficient. As a result of the consequent failure of the Commission to reach an unanimous agreement, the Czechs and Poles withdrew from the meeting

[62] Général Thimayya, de l'Armée de l'Inde, chef de la Commission neutre de rapatriement.
General Thimayya, Indian Army, Chairman, Neutral Nations Repatriation Commission.

of the Commission which has, therefore, at least temporarily, had to suspend its activities.

5. The Communists have insisted that before more Chinese are called before the explanation panel North Koreans should be repatriated. Thimayya reports that there is a highly organized "reign of terror" in the camps for North Korean prisoners. The Communists probably consider, therefore, that if North Koreans are given a chance to hear the explanation, relatively more North Koreans will opt for repatriation than Chinese have hitherto done and this will resolve in more Chinese opting for repatriation. Thimayya has been interviewing the ringleaders in camps in order to try to persuade them to co-operate and for this he has been criticized by Communist members of the Commission. The Communists are also, of course, criticizing the Indians for failure of their custodian force to carry out what they consider to be its business under the armistice agreement.

6. The Prime Minister has asked that you be informed that in view of the serious international implications, unless the situation improves he sees no recourse but to have the matter taken up in the United Nations Assembly.

7. Krishna Menon is, therefore, being kept fully informed. The United Nations Assembly would presumably have to discuss the differences of opinion between the commission and the United Nations Command over the obligations of the commission in respect of appearance of prisoners before panel and the date of expiry of the period for explanation, and also the differences of opinions of the commission on how much if any force should be used to ensure appearance of the prisoners. There is also, of course, the question of the final disposition of prisoners if the commission's machinery should continue to fail to operate.

8. In my opinion the position of the United Nations Command in such a debate in the Assembly would be stronger if, notwithstanding its differences of opinion with the commission on the question of appearance of prisoners before it, [it] would accept unanimity of decision of the commission and even at this late date urge prisoners to appear peacefully. Otherwise, the United Nations Command will lay itself open to charge that it is abetting highly organized reign of terror which Thimayya will assert exists in North Korean camps which, in his opinion, makes it difficult for terrified prisoners to exercise a free choice, even if they are able to get before panel and it will be alleged that reason for United Nations Command's policy is that United States fear loss of face which would result from a considerable number of prisoners opting to go home.

9. In Foreign Secretary's opinion many of the difficulties with the United Nations Command have resulted from the fact that the United Nations Command's decisions have been made in Tokyo, thus making impossible continuous direct (affirm) between Thimayya and United Nations Command. Thimayya being forced to deal with subordinate. Ends.

192. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], October 21, 1953

. . .

KOREA — FURTHER DEVELOPMENTS

32. *The Secretary of State for External Affairs* said he had discussed with Mr. Dulles the proposed political conference on Korea. Mr. Dean, the head of the US delegation to the conference, had already gone to Korea and was prepared to take up with the Communists any questions concerning the composition of the conference and, indeed, anything which they might raise. The Americans had been interested in the Canadian suggestion that the conference might be got underway if the eight or nine smaller nations already nominated agreed to withdraw from the conference and leave the meeting to the powers most immediately concerned, with perhaps the Chairman of the Neutral Nations' Commission brought in as Chairman.

The Communists in Korea now appeared determined to stop the procedure of questioning of prisoners which they had initially been most anxious to carry out. The fact that so few prisoners had agreed to return to Communist China and to North Korea had been a blow to the Communist authorities. The prisoners not yet interviewed were playing into Communist hands by refusing to appear before the interviewing teams.

33. *The Cabinet* noted the report of the Secretary of State for External Affairs concerning further developments in the Korean situation.

. . .

193. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2397 Washington, October 21, 1953

CONFIDENTIAL

KOREA — POLITICAL CONFERENCE — STATE DEPARTMENT MEETING OF OCTOBER 20

Reference: WA-2371 of October 19, 1953.
Repeat Candel New York No. 34; London No. 97.

The Ambassadors of the fifteen powers met at the State Department yesterday afternoon with Murphy and Dean to talk about the latter's journey to Panmunjom

as United States emissary for the preliminary meeting with the Communists. Dean and his party are scheduled to leave Washington at 1:00 p.m., October 21. They will spend one night in Tokyo and then proceed to Seoul for discussions with Rhee. They will then go to Munsan whence they will be ready to meet the Communists at Panmunjom. Dean intends to have a message sent to the Communist authorities suggesting 11:00 a.m., October 26 as a suitable time for commencement of the meetings and enquiring the name of the Communist emissary. (Kenneth Young,[63] who is accompanying Dean, told us that the Americans hope that the Communists will appoint a representative who will have some latitude and authority, such as Chinese Vice-Foreign Minister Han, rather than a mere postman).

2. On the question of timing of the conference, Dean said that he hoped that it might be set up for December 1 and not later than December 15. He recalled that the POW question had some relation to the timing of the conference since, by the terms of the Armistice Agreement, the matter of disposition of non-repatriable prisoners still in the hands of the Repatriation Commission should be taken up by the political conference on December 24. Young told us that the Americans were thinking that it should be possible for a date for the political conference to be set for four weeks after the reaching of agreement by the emissaries at Panmunjom.

3. Spender raised the point that the Communists might take the legalistic view that Article 60 of the Armistice Agreement would be invalidated if the conference itself should not be held by October 28. Dean replied that the Communists could make an obstacle of this, as of many other things, if they did not wish a conference to take place.

4. There was some discussion about the place for the conference. Spender added Stockholm to the suggestions which have already been made. Dean said that Geneva appeared to be the best choice and, failing that, perhaps some Latin American city. The United States was not in favour of Panmunjom or any Communist territory. He considered it possible that the Communists would insist on an Asian city. Murphy seemed to consider that Bandoeng could provide reasonable facilities, an opinion to which Scott of the British Embassy subscribed. It was pointed out that the matter of communications was of obvious importance. It was generally agreed that Dean should have reasonable discretion in arranging for the time and place of the conference and that the important thing was to get the conference going as expeditiously as possible.

5. Dean referred to the passages in the Communist message of October 19 which reiterated their insistence on settling at the preliminary meeting at Panmunjom the question of composition of the political conference. He said that the United States would not engage in further written exchanges on this point. Any further message of the United States Government to the Communists would simply state that the American emissary would be at Panmunjom on October 26. Dean said that his authority under the United Nations resolution of August 28 would be to discuss purely procedural matters. When the Communists talked about composition of the

---

[63] Directeur, Bureau des Affaires de l'Asie du Nord-Est, Département d'État des États-Unis. Director, Office of Northeast Asia Affairs, Department of State of United States.

conference, as seemed inevitable, he would listen to their views and report them to Washington. He said that he hoped to persuade them to commence the conference without insisting on additional participants as a prior condition.

6. Bonnet recalled that the United States communication of October 14 accepted the idea of an exchange of views on the composition of the conference. Dean confirmed this acceptance but repeated that his authority to make agreements would be restricted to the time and place of the conference and subsidiary procedural matters.

7. Spender referred to Lodge's statement in New York that the political conference could settle the question of its own membership and asked at what stage this might be expected, particularly with regard to Indian participation. He also enquired by what method the participation could be widened, since the requirement of unanimous consent would give a veto to Rhee on this question.

8. Dean replied that the terms of the August 28 United Nations resolution implied willing consent to the conference's decisions. He did not see how the conference could succeed otherwise. He thought it would be a mistake to go to Panmunjom and agree to place the question of participation in the conference at the head of the agenda for the political conference. This would be tantamount to setting a booby trap at the very outset of the conference, since agreement on this question at the beginning could not be expected. It seemed preferable to exchange views on the matter at Panmunjom, so that each side understood the other's position. The American view continued to be that if the conference, in its course, produced an encouraging atmosphere, from its discussions on such matters as withdrawal of foreign forces and unification, and provided that all participants at the conference agreed, a stage might be reached at which it would be useful to broaden representation at the conference.

9. Dean referred to some other procedural matters which he might discuss at Panmunjom. He stated that the Secretary-General of the United Nations had indicated his willingness to provide a general Secretariat for the whole conference. The Communists of course might not assent to this. Dean said that it seemed reasonable that the cost of the conference might be settled by agreement amongst the participants and the host country.

10. I raised the question of consultation on the progress of Dean's discussions in Panmunjom, saying that we would naturally wish to know not only about any disagreements with the Communists but also about the impressions which Dean might gain of the intentions of the Communists. Murphy replied that he agreed that we should all be kept closely informed. He said that he would have written summaries of Dean's reports regularly prepared and made available to us and that he would be ready to hold meetings on an Ad Hoc basis on any particular aspects of Dean's reports. Dean gave assurances that he would furnish full reports on the progress of his negotiations.

11. I took the occasion of this meeting to express concern about the threatened breakdown in the POW "explaining" operations. I said that demonstration of the effect of freedom of choice on the part of prisoners seemed important for our side. It would be desirable therefore if the Korean prisoners who were refusing interviews could be brought to realize that they had complete freedom of choice and

that they would be striking a blow against Communism if they proceeded with the interviews and exercised their choice in the right way. In the present circumstances there were grounds for suspicion that the Communists were seeking to delay the interviews because of the manner in which the initial results had gone against them. Murphy and Dean agreed with this argument. I understand that the British Embassy have been instructed to make this point to the State Department and to suggest that the United States point out to Rhee that the interests of South Korea would be served if the Korean prisoners did not make the explanations impossible. To this end the United States might suggest to Rhee that he desist from inciting the Korean prisoners to refuse interviews.

194. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2413 Washington, October 22, 1953

CONFIDENTIAL

KOREA — IMPLEMENTATION OF ARMISTICE AGREEMENT

Reference: EX-1766 of October 21[64] and WA-2397 of October 21, paragraph 11. Repeat Candel New York No. 35.

It has been reported to you that both we and the British have put to the Americans the point made in paragraph 4 of telegram No. 260 of October 20 from New Delhi, that every effort should be made to have the prisoners attend the "explanations". The State Department seemed to agree with this view and I think that Dean may well urge it in Seoul. The State Department say, however, that Rhee is simply not amenable to conviction that the Repatriation Commission has any virtue whatsoever.

2. It is not accurate to say that "the United Nations Command has hitherto failed to agree with the Indian request that they issue an appeal to prisoners to appear peaceably". You will recall that on October 9 General Hamblen[65] sent the Chairman of the Repatriation Commission a proposed message from the UNC for distribution to prisoners, if General Thimayya thought fit. Hamblen's letter sought to persuade the prisoners to co-operate with the Commission and to give them specific assurances that their rights would be protected. Thimayya wished to alter the wording of the letter in a way which was unsatisfactory to Hamblen (see WA-2366 of October 16,† paragraph 7) the disagreement probably arising from what the UNC considers to be an erroneous view on the part of General Thimayya about the ulti-

[64] Non retrouvé./Not located.

[65] Armée des États-Unis ; commandement des Nations Unies.
Of United States Army; United Nations Command.

mate disposition on non-repatriable prisoners (ref: WA-2357†and WA-2358 of October 16,† and paragraph 8 of telegram No. 176 of October 19 from Tokyo†). We shall enquire at the State Department meeting on Korea tomorrow whether Thimayya has changed his view and now agrees that prisoners whose disposition has not been decided by the political conference after thirty days will be replaced.

195. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire en Inde

Secretary of State for External Affairs
to High Commissioner in India

TELEGRAM 269 Ottawa, October 22, 1953

SECRET

KOREA

Reference: Your telegram No. 260 of October 20, 1953.
Repeat Candel No. 121; Washington No. EX-1773; London No. 1646.

While I recognize the very difficult situation in which the Indians find themselves and appreciate their feeling that they may have no recourse except to refer the problem to the Assembly, I hope that they might find it possible to hold off doing so until there has been some effort to find a solution through diplomatic channels. It is most important at the present moment that the steps towards a political conference proceed without the kind of emotional interruption which might be provided by an acrimonious Assembly debate. Violent disorders at Panmunjom would, of course, threaten the negotiations as well, but if the Indians thought it possible even to maintain the present position of stalemate in the repatriation process, they would be providing time for some sober reflection on both sides.

2. I wonder if the Indians have made any representation in Peking or drawn to the attention of the Chinese the consequences of their intransigent behaviour on the repatriation issue. If, as now appears probable, the Chinese really do want a political conference, they might be impressed with the argument that some compromise on their part on the prisoner issue will be necessary to prevent an exceedingly dangerous situation. On the UN side, some of the trouble over prisoners seems to have been caused by American psychological and other kinds of warriors on the spot forgetting the main objects of policy as determined in Washington in order to win a propaganda victory. It is also just possible that the Communists on the spot may have created a situation not entirely to the liking of Peking or Moscow.

3. The major difficulty in reaching an understanding between the UN Command and the Indians on this matter seems to be their different approaches to the question of freedom of choice. The Americans are entirely preoccupied with preventing undue pressure being brought on the prisoners by Communist interviewers and tend therefore to look upon the organization of resistance to the interviewers as a means of protecting the prisoners' freedom of choice. The Indians, however, are preoccu-

pied with the position of prisoners who would like to go home but are allegedly prevented from making that choice by the pressure of their colleagues. Both seem to be legitimate points of view, and I would hope that the exchange of views in this present impasse initiated on a diplomatic rather than strictly military level might lead to a better understanding and that the Americans might find some way of persuading the Korean and Chinese prisoners to allow the interviews to continue.

4. You might tell the Indian government that I am asking Mr. Heeney to discuss this matter with the State Department.

196. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1792 Ottawa, October 23, 1953

CONFIDENTIAL. IMPORTANT.

KOREA — IMPLEMENTATION OF ARMISTICE AGREEMENT

Reference: WA-2413 of October 22, 1953.

Repeat Candel No. 128; London No. 1661.

Following from Acting Under-Secretary, Begins: In his telegram No. 269 to New Delhi of October 22, which has been repeated to you as our Ex-1778, the Minister said that he was asking you to take up with the State Department the matter of Repatriation Commission difficulties with non-repatriable prisoners of war. Your intervention on this subject at the State Department meeting of October 20 has, to some extent, covered this request, but you might wish to have a further word in the light of the situation described in the telegram from New Delhi.

2. Since the Indian Foreign Secretary has already discussed developments concerning prisoners with a United States representative, the State Department will now be aware of the Indian intention to refer the matter to the General Assembly if the situation does not improve and will realize the undesirable consequences which would probably flow if that intention were executed.

3. In your teletype under reference you suggest that the State Department seems to agree that every effort should be made to have the prisoners attend "explanations" but that Rhee remains adamant in his views of the Repatriation Commission. We hope, of course, that Dean and the United States Ambassador to Korea might persuade Rhee to cooperate in the implementation of this portion of the Armistice Agreement in which he has acquiesced if not subscribed, although we recognize that this is unlikely. In the meantime, the State Department might consider a supplementary course of action to accommodate the Indian views to the extent necessary to dissuade the Indians from turning to the Assembly at least for the time being. Such course might consist of a review of any requests made by the Chairman

of the Neutral Nations Repatriation Commission to the United Nations Command for assistance in persuading prisoners to appear peaceably at explanation sessions. We understand that the UNC and the Repatriation Commission have failed to agree on the text of a message from the former for prisoners urging them to appear peaceably. In the new circumstances, the State Department might consider how far the UNC might be asked to go to meet the Commission position. We do not think the UN Command should give up its position on ultimate disposition of prisoners, but perhaps there were other differences in this exchange where the NNRC position could be met part way. As part of a general effort to bring Commission and UNC views into closer harmony, the Commission might be asked to consider representations about such subjects as the imposition of reasonable time limits on individual interviews. Ends.

197. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2450 Washington, October 27, 1953

CONFIDENTIAL. IMPORTANT.

KOREA — IMPLEMENTATION OF ARMISTICE AGREEMENT

Reference: WA-2436 of October 24.†
Repeat Candel No. 41; London No. 100.

In the absence of Murphy, Campbell and I discussed the matters contained in your message EX-1792 of October 23 with Alexis Johnson yesterday. His attitude was sympathetic.

2. I began by saying that we all seemed to be agreed on the undesirability of a Korean debate in the General Assembly at this time, while Dean is in contact with the Communists and trying to get the political conference started. If the prisoner-of-war impasse continued, however, and the Repatriation Commission should be unable to function, the Indians would probably refer the matter to the United Nations. The important thing, therefore, seemed to be to try to evolve some means by which the Korean prisoners should appear before the explainers. I said that we realized the difficulty of eradicating their fixed idea about the explanations, but that we thought perhaps something could be done either by Rhee or by the UNC to get over to the prisoners the point that they should attend the explanations, because the proper exercise of their choice would be in the interests of themselves and of Korea. I referred to the difference between Generals Thimayya and Hamblen over the text of the proposed UNC message urging the prisoners to appear at the explanations peaceably and suggested that, in view of the threatened breakdown of the Repatriation Commission, it might be well to have a look at it again to see whether Hamblen and Thimayya could not reach agreement on a text.

3. Johnson said that he had no knowledge that Rhee has direct contact with the Korean prisoners. He pointed out that the prisoners are closely "quarantined" by the Indian custodial force and that neither the UNC nor the ROK has access to the POW compounds. (Johnson emphasized this fact later in the conversation, pointing out that it created difficulty both in getting messages to the prisoners and information about them). He expressed the opinion that it would be useless to try to persuade Rhee to take any positive step to have the Korean prisoners appear before the Communist explainers. He thought that so far as the Korean prisoners are concerned, Rhee had been pressed to the utmost to consent to have them taken to the demilitarized zone and handed over to the Indian custodial force. Furthermore, even if Rhee could be persuaded, his message would certainly contain other material which would not be to the liking of the Repatriation Commission, so that the message would be unlikely to be passed for transmission by General Thimayya.

4. Johnson stated that he and his colleagues had been thinking earnestly about this whole problem. He said that last weekend he had talked about it to the Indian Embassy and had brought to the attention of the Indians the fact that Thimayya had not seen fit to make use of General Hamblen's letter to the prisoners. He also expressed to the Indians the State Department's view that the Repatriation Commission's ability to carry out its functions should not be regarded as being founded on individual explanations. If one method of procedure for the explanations proved impracticable, it was open to the Commission to revise its rules according to the situation. (The British may also make this point to the Indian Government — see WA-2446 of October 26†). Johnson agreed that, in view of the turn of events, the possibility should be examined of modifying the UNC's message to the prisoners so as to get it past Thimayya. This would be difficult, however, because the real point of contention between Hamblen and Thimayya was over the vital question of whether prisoners remaining in the custody of the Repatriation Commission after 120 days, who still do not wish repatriation and for whom no other disposition has been made, shall automatically be released from prisoner-of-war to civilian status (see our letter No. 2041 of October 26†). Johnson claimed that, from the United States point of view, there was also the question of consistency to be considered since the UNC had opposed the promulgation of rules calling for individual interviews and warned of the dangers of this procedure. I suggested that the United States Government was too broad-minded to stand on mere consistency.

5. Johnson agreed that Thimayya is probably moving closer to "our side" as a result of the drastic eye-opening treatment to which he has been subjected. I said I supposed that Thimayya himself was probably casting around for ways to break the present deadlock, and that he might therefore be more amenable to suggestions than heretofore. Johnson said that George Allen had met and conversed with Thimayya at the demarcation line and had reported that Thimayya appeared to believe that the Korean prisoners might eventually be persuaded to attend the explanations.

6. Thimayya confirmed to Allen that the Chinese prisoners were not only ready but even anxious to face the Communist explainers. As a practical matter, therefore, the explanations before the Repatriation Commission could proceed if the Communists would agree to continue the explanations to the Chinese. The Korean prisoners might consent to attend the explanations if they saw that the Chinese pris-

oners were really able to exercise free choice. Johnson said that the Communist refusal to allow this practical course to be taken leads to the belief that they were so dismayed at the results of the first interviews that they are now seeking to block the explanation process.

7. Johnson said that only preliminary reports had come in from Dean and these contained no more information than had appeared in the press about the Communist demand that the question of the composition of the conference must be settled at Panmunjom. Fuller messages will be in today and Murphy has called a meeting of the sixteen countries at the State Department tomorrow at which he will report on these. I emphasized the importance of the United States authorities keeping the rest of us fully informed as Murphy had promised that we would be.

198. DEA/50069-A-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 264 New Delhi, October 27, 1953

SECRET

KOREA

Reference: Your telegram No. 269 of October 22nd.
Repeat London; Washington; Candel.

I saw the Foreign Secretary October 26th and the Prime Minister at noon October 27th taking advantage of my call on him to discuss Mr. St. Laurent's visit.

2. I failed to elicit from the Prime Minister any sort of commitment about postponing a reference to the Assembly. I am sure he recognizes the strength of your argument but I think he believes the threat to take the matter to the Assembly may help to hasten the solution.

3. I gave as an example what you call "intransigent behaviour" of the Chinese their insistence that North Korean prisoners be interviewed before any more Chinese are, and said if they could give in on this the Commission could go ahead with its work of postponing the difficult problem of what to do with the North Korean prisoners. (Could you cite other examples for use in future discussions.)

4. The Prime Minister commented that the attitude of the Chinese on this question was the only instance of their disagreeing with the Commission. The argument of the Chinese was that the recent failure of the custodian force to enforce the appearance of North Koreans after a show of force had resulted in a demonstration that its [group corrupt] did not run in camps and that this would make it easier for agents of the Formosa regime to organize resistance in those camps against appearing before the panel. Thus it could not be assumed that the Chinese prisoners would continue to appear peaceably even if they were the next to be called.

5. The Foreign Secretary told me that the Chinese had been careful not to use language which would imply force was necessary to bring prisoners before the panel but have demanded that the custodian force take steps to ensure prisoners are not coerced into not appearing.

6. The Prime Minister said about two weeks ago he had received a message from Chou En-lai criticising the custodian force for its failure to take adequate measures against reign of terror and atrocities in the camps. About three days ago he had received a further and a stronger message from Chou En-lai including gory details of atrocities some of which were not authentic.

7. The Foreign Secretary welcomed your plea for an exchange of views on the present impasse initiated on a diplomatic rather than a strict military level. The United States Chargé, with whom I discussed the matter this morning, said Allen's visit has in part accomplished this. He returns here November 2nd. Do you wish me to attempt to secure reports from him or has this been done by Mission in Tokyo.

8. The Foreign Secretary told me that Thimayya had been instructed to be firmer with prisoners and in particular as regards [any?] steps he is taking as a result of recent take over in camps to do what he can to reorganize camps in an effort to lessen coercion of prisoners. The United Nations Command have recently given indications to India that they recognize the obligation [on?] Indians to take steps to prevent coercion.

9. Hitherto according to Indians the United Nations Command has insisted group examinations of 500 prisoners not being broken up. Did not the United States, however, as well as we during the war when faced with murder in our camps for German prisoners, break camps up into blacks, and greys and whites. Might be this might provide useful precedent to cite before the American public though in these tumultuous camps, where identity of prisoners is difficult to establish, problem is much more difficult. It would be best if this suggestion could come from United Nations Command to the Indians.

199. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire en Inde

Secretary of State for External Affairs
to High Commissioner in India

TELEGRAM 277 Ottawa, November 3, 1953

SECRET

KOREA — PRISONERS OF WAR

Reference: Your telegram No. 264 of October 27, 1953.

Repeat London No. 1717; Washington No. EX-1850; Candel No. 168.

Following from the Acting Under-Secretary, Begins: Your paragraph 3: We have no other examples to cite at this time.

2. Your paragraph 7: The New Delhi environment and your personal relations with Allen might make it easier for you than for our Tokyo Mission to obtain reports. We shall inform you by telegram if a report is received from Tokyo.

3. Your paragraph 9: Press reports that Korean prisoners have agreed to attend explanations indicate that your suggestion may have been overtaken by events. We do not know how far the Repatriation Commission may have gone in dealing with the problem of camp organization and we doubt that we are close enough to the situation to make specific recommendations to the United States concerning the administration of the camps.

4. The Minister may go to New York November 4, although this is not firm. In New York he might be expected to discuss the prisoner situation with Menon and Lloyd. Ends.

200. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2501 Washington, November 3, 1953

SECRET. IMMEDIATE.

KOREA — POLITICAL CONFERENCE

Repeat Candel No. 50.

1. Murphy asked me to see him this morning about the course of Dean's negotiations, and I have just returned. The substance of our discussion is set out below.

You will recognize at once the potential importance of the suggestions Murphy put forward.

2. Murphy read from a message from Dean dated last Sunday, November 1st, in which Dean reported that as yet there was absolutely no sign of a break in the rigidity of the Communist negotiators' attitude. He had therefore to contemplate what courses were open to him in the event that the Communist side continued their refusal to consider time and place until composition had been settled.

3. Dean went on to say that there were four possible courses. The first was to resist in an effort to have decisions taken on time and place before going on; the second was to attempt to leave composition to the "plenary" authority of the conference when it met. Neither of these courses were at all likely to be accepted by the Communists.

4. The third course Dean described simply as a "seven-power conference". There was no doubt that this referred to the proposal which had had some discussion privately and publicly before Dean's departure. It was the fourth course which was most interesting — this was the idea of a conference to consist of representatives of the seven (United States, United Kingdom, France, and South Korea; the Soviet Union, Communist China, and North Korea) *plus* members of the Neutral Nations Repatriation Commission in an ex officio capacity. The NNRC members might be three (India and either Switzerland or Sweden and either Poland or Czechoslovakia) or all five, adding up to a conference of ten or twelve. Another variant would be the addition of India only as chairman, but this was not mentioned by Dean.

5. Murphy said that he had not consulted anyone else about these last suggestions and that he would welcome our reaction. I must say that he seemed himself to be quite favourable to their being put forward if general agreement upon them on our side could be obtained. He thought that they could be brought within the terms of Article 60 of the Armistice Agreement and of the UN Resolution of August 28.

6. While I indicated that I was obviously not in a position to express your views at once, I drew Murphy's attention to the similarity of Dean's suggestions to the proposals which you yourself had made very informally in London; these we had discussed with Dean and Murphy the evening we dined together here. I also made it pretty clear that I thought that we would welcome this evidence of flexibility on Dean's part in what was obviously an attempt to move toward agreement. There was, however, one very important point of tactics, if on the United Nations side Dean's third and fourth courses were to obtain general support — any elimination of the lesser twelve among us should be the result of a voluntary act of abnegation and not something imposed on us by a big two, three, four or five. Murphy was very quick to appreciate this, and, indeed, indicated that it was for this reason that he was approaching us in the first instance.

7. I also emphasized the importance of secrecy. It might spoil everything if word of Dean's suggestions became public before there had been an opportunity for consultation with and between the twelve. It might be that this could take place better and more expeditiously in New York rather than in Washington. My guess was that the Australians and the Turks would need some convincing. Murphy added — and the Philippines.

8. One advantage which Murphy saw in Dean's suggestions was that they would tend to "fuzz up" the thorny question of the attendance of "neutrals" and the rigidities of the two sides concept; yet without departure from the terms of the armistice and the formal actions of the United Nations. This you will recognize as a pretty far cry from the attitude which had been adopted by the United States delegation in New York on earlier occasions.

9. It was left that I would get in touch with you and let Murphy know your reaction as soon as possible. It is not, I think, his intention to consult anyone else meantime. Certainly he indicated that the United States did not propose to put these suggestions before another meeting of the sixteen for the present.

10. Following our telephone conversation of a few minutes ago, I shall now tell Murphy that you will be going down to New York tomorrow or early Thursday and that you propose to discuss these developments at once and privately with a number of representatives of the twelve, including probably Spender, Munro, and the Turks.

201. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1872 Ottawa, November 4, 1953

SECRET

KOREA — POLITICAL CONFERENCE

Repeat Candel No. 181.

With reference to your telegram No. 2501, and our telephone conversations, I will be leaving for New York tomorrow, and have already arranged to see Spender (Australia) and Munro (New Zealand) tomorrow night. I shall try to see Philippine, Turkish, Thailand, Belgian and Netherlands representatives on Thursday.

2. It is interesting and, I think, encouraging to learn, as you suggest, that the Americans have in mind a possible way out of the deadlock regarding a political conference along lines which we have previously discussed with the British, French and themselves. I think, however, that it would be much better to have only the Chairman, or, at most, two members of the NNRC attached ex-officio to the conference than all five. This, however, is a matter that can be considered further after my talks in New York.

3. It is also important, as you state, that the matter should be handled in such a way that the initiative will come from the smaller countries, and that there should be no premature announcement or leak at Panmunjom or in Washington.

202. DEA/50069-A-40

Note du secrétaire d'État aux Affaires extérieures pour le premier ministre

Memorandum from Secretary of State for External Affairs to Prime Minister

[Ottawa], November 11, 1953

RE: KOREA — POLITICAL CONFERENCE

My consultations in New York with representatives of the governments, who would withdraw from participation in the above Conference to make a Smaller meeting possible, was only partially successful. Five or six of the countries concerned gave unqualified approval to the idea but it would present difficulties for Australia, Turkey, Colombia and probably the Philippines.

Nevertheless I think it can be assumed that if it were quite clear that such withdrawal would make certain a meeting of the Peace Conference, all would be willing, although some reluctantly, to adopt this course.

There was a general feeling, however, that the Smaller Conference proposal might not be considered by the Communists as much of a concession and that we should make sure how they would react to it before putting it officially either to them or to the Governments concerned. For this purpose I asked the Secretary-General of the United Nations if he could make soundings in Peking through his own channels without giving any impression that the matter was under consideration by us. He agreed to attempt this.

I went to some pains to impress on those with whom I talked that the initiative I had taken in this matter was the result of a meeting in Washington between our Ambassador and Mr. Murphy of the State Department, at the instance of the latter; that at this meeting Mr. Murphy had indicated that Arthur Dean was considering the idea of a Smaller Conference as one which might be put to the Communists if this was the only way to make any conference possible. I felt that no such proposal should be put to the Communists by the Americans or, indeed, officially to the friendly Governments concerned, without a prior exchange of views between those Governments. That prompted me to initiate the discussions in New York, in the hope that this would prevent any premature action in Pan Mun Jong [*sic*].

I also emphasized, especially to the Turkish, Australian and Colombian representatives, that the last thing in our mind was to bring any pressure on them to withdraw from the Korean Political Conference. All we wished to do was to get the views of their Governments, which I would then forward to Washington where any further steps would have to be taken, directly with the Governments concerned and not through me.

The State Department now know the results of my conversations in Washington and I doubt if they will now proceed with any further consideration of this idea

unless it is pressed on them by Dean and unless they are certain that the Communists, in return for it, will definitely accept a conference.

One of the confusing factors in New York was Cabot Lodge's opposition to the idea and, indeed, his statement to at least one of the delegates whom I consulted, that he knew nothing about it. It is hard to believe that the State Department, who brought the matter forward in the first place and were so anxious that I should discuss it with the other representatives at the United Nations, should not have told their own representative there what was going on.

L.B. PEARSON

203. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 477 New York, November 12, 1953

SECRET

KOREA — POLITICAL CONFERENCE

Repeat Washington No. 165; London No. 14.

At this morning's meeting of Commonwealth delegates, Spender expressed his opinion that the attitude of the Chinese and North Koreans indicated they wanted "to drive a full bargain". They refuse to give even preliminary consideration to any of the outstanding issues such as date, place and agenda. If we give in on composition of the conference, they will probably be just as stubborn in their demands regarding all other points.

2. We expressed the opinion that the composition of the conference was a far more crucial point than any of the other questions upon which Dean sought to negotiate with the Communists. Perhaps the reason the Chinese seem to be so completely uncompromising in not even being willing to negotiate on such questions as time, place and agenda is that they find themselves in the position of being unable to accept our formula for the participation in the conference by the USSR. The Chinese cannot sit down to a conference in which the USSR does not participate. The USSR finds it distasteful to participate if invited only by the Communist belligerents. It should be possible to find some formula for the USSR to sit as a neutral. If this is not possible we shall probably have to face the prospect of no conference at all. We may have to return to the formula for which the majority of the delegates of the assembly were in favour during the seventh session and provide for the participation of neutrals in a round-table conference. If such a formula can be found, it is not impossible that the Communists will negotiate quickly regarding time, place, and will compromise on an agenda for the conference. We indicated that the weakness of our position in maintaining an apparent front in support of

Dean in Panmunjom was that the Communists had full knowledge of the attitude of the majority of the delegates of the United Nations Assembly as expressed during the seventh session.

3. While Spender agreed that seating of the USSR constituted a crucial problem, he stated emphatically he did not believe that even if an acceptable formula were found to seat the USSR as a neutral the Chinese would be any less intransigent on the other questions at issue. If the problem was raised again in the General Assembly it was his opinion that "we must reaffirm our previous and present position". Munro thought it was important for us to realize the inflexibility of our own position.

4. Lloyd expressed the opinion that we ought to have an early meeting to discuss what our attitude should be in the General Assembly if the question is again debated.

5. We have learned very confidentially that the Government of Australia was favourably disposed towards accepting the proposal to reduce the representatives of the United Nations belligerents to the United States, United Kingdom and France. Spender, however, who has been designated as the Australian representative to the conference, has persuaded his government not to give up its membership in the conference.

6. May we have your guidance in regard to the attitude we should take in the next Commonwealth delegates meeting, when the question will be discussed as to the most advisable position to take in the Assembly if the question of the Korean Conference is again introduced. We are inclined to think that it might be a way out for the Americans not to object to the Assembly accepting a provision for participation in the conference by India and the USSR as neutrals in a round-table conference. The Americans could then face Syngman Rhee with a fait accompli which they had tried very earnestly to prevent in the first place. The only objection that the United States has expressed against participation by India is that Syngman Rhee will not agree to such participation.

Note: This telegram transmitted to London, November 13.

204. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire en Inde

Secretary of State for External Affairs to High Commissioner in India

TELEGRAM 295 Ottawa, November 18, 1953

SECRET

KOREA

According to the New York Times Nehru said November 15 that if the Political Conference does not convene before January 22, the prisoner problem should be

referred to the opposing Commands by the Repatriation Commission. The two Commands "will come to another agreement about it or decide unilaterally".

2. We are rather puzzled by this report. If Indians accept the UNC view of the January 22 deadline, they have a strong legal case for laying down their custodian responsibilities at that time. But the Nehru view might lead to Indian troops being committed for the further period while the two Commands negotiate another agreement. However, should the UNC refuse to negotiate such agreement and call for the release of prisoners, would the Indians accept this as a unilateral decision and release prisoners formerly in UNC custody? If so, they might encounter a more hostile reaction from the Communists than would be the case if they had opted for the January 22 deadline.

3. We also wonder if Nehru's reported views take into account Thimayya's statement on November 10 that he hoped to get Repatriation Commission agreement to a letter to the opposing Commands proposing that the Indian custodian force should itself carry out the functions of the Commission. This statement has been interpreted to mean that Indian officers would themselves give prisoners the opportunity to choose whether they wish repatriation.

4. At a meeting of Commonwealth delegates in New York on November 12, Menon suggested the possibility of calling a Political Conference limited solely to the question of reaching agreement on the disposition of prisoners-of-war. Is there any connection between Nehru's statement and the Menon suggestion? Is it possible that the Indians may consider this a device for getting the Political Conference started?

5. For your own information, Dean has tested Rhee's reaction to the possible participation of India in the Political Conference, as an observer, or exofficio as member of Repatriation Commission. Although Rhee's reaction was unfavourable, Dean told him that he assumed he was not closing the door to this possibility and that he would discuss the question with Rhee again.

6. There is also the question of whether the Nehru statement reflects any Peking views. The State Department feels strongly that the Communists are looking for pretexts to prevent continuation of explanation procedures.

7. In the past, Repatriation Commission has taken action by unanimous agreement and we assume that the same rule will be followed if prisoner problem is to be referred to both Commands as suggested by Nehru. However, you have informed us that the Swiss think the prisoners should be released by the end of January. We are seeking the views of the Swedes on this matter.

8. We should be grateful to have your appreciation of the Nehru statement and your comments on the points raised above.

205. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire en Inde

Secretary of State for External Affairs to High Commissioner in India

TELEGRAM 298 Ottawa, November 18, 1953

KOREA

Repeat Tokyo No. 232.

Following from Under-Secretary, Begins: On November 17 Secretary of State Dulles publicly stated that on January 22 the prisoners in custody of Repatriation Commission should be freed even if no Political Conference has been held by then. Concerning the January 22 date set by Mr. Dulles for release of prisoners, Mr. Coldwell asked the Minister in the House: (1) Is this a decision of the United Nations? (2) Was Canada consulted about it? (3) In any event, what is Canada's position?

2. Following is the summary of Minister's reply to questions in order posed.

(1) The assumption is that Mr. Dulles was speaking on behalf of Unified Command.

(2) Canada was not consulted about Dulles' statement but the subject of that statement was a matter on which there had been frequent exchange of views.

(3) The armistice provisions on this point are clear and mean that Repatriation Commission is obliged to declare the relief of prisoners to civilian status at the end of the 120 day period of custody if the Political Conference does not meet or meets and does not settle the problem.[66]

[66] Voir Canada, *Débats de la Chambre des Communes*, session 1953-1954, 18 novembre, 1953, pp. 127-128.
See Canada, House of Commons, *Debates*, November 18, 1953, p. 121.

206. DEA/50069-A-40

Le haut-commissaire en Inde par intérim
au secrétaire d'État aux Affaires extérieures

Acting High Commissioner in India
to Secretary of State for External Affairs

TELEGRAM 286 New Delhi, November 19, 1953

SECRET

KOREA

Reference: Your telegram No. 295 of November 18.
Repeat London; Washington; Candel.

Your supposition regarding link between Menon's statement in New York on November 12 and Nehru's statement in Delhi on November 15 appears correct. We understand in present confused situation the Prime Minister is relying heavily on Menon for advice and that most of the initiative is coming from his end.

2. The possibility of calling a political conference solely limited to the question of agreement on disposition of blame for war appeals to Nehru, both as a way out of present impasse and of getting the conference started.

3. Senior External Affairs Department official told us that Indians are concerned at morass into which discharge of their duties under NNRC appears to be leading them; that their thinking is confused; and that their policy is to be clarified at a full dress Ministry meeting presided over by Nehru during the weekend.

4. We hope to report in greater detail when this meeting has taken place.

207. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 530 New York, November 19, 1953

SECRET

KOREA — PRISONERS OF WAR

Repeat Washington No. 180; London No. 19.

At a meeting of Commonwealth delegates this morning the question of whether a debate on Korea at the present time would be profitable was discussed. Lloyd asked: "What can the First Committee do about the POW deadlock?" Menon stated that a document was being drafted by the Repatriation Commission addressed to the United Nations and Communist Commands dealing with the situation. He

warned against accepting news reports about the matter in the *New York Times*. The Indian view would be very objective. He stated there were four ways in which the matter might be raised in the Assembly:

(a) By the United States on behalf of the Unified Command,

(b) By the USSR,

(c) By India as Chairman of the Repatriation Commission, or,

(d) By the Secretary-General upon receiving a report.

Menon expressed regret that the United Kingdom and Canada were reported to have expressed the opinion that prisoners of war must be released by the Repatriation Commission on January 24. He said "it is a pity that the United Kingdom has rushed into this fray." The original plans were that after ninety days the POW question was to be turned over to a conference and that only after a consideration by the conference during the period of thirty days could the prisoners be returned to civilian status. These were the terms of the armistice and the Repatriation Commission had no authority to release the prisoners. All the Commission could do would be to return the prisoners to the authorities which had handed them over to the Commission. He expressed the opinion that if the prisoners were released unilaterally without agreement by both sides, consideration would have to be given to the consequences on the Armistice Agreement. Menon stated very emphatically "we are not the releasing authority". He added that if the Commission released the prisoners without authority the Chinese would be justified in moving into their half of the demilitarized zone.

2. Munro raised the question of whether or not this question should now be debated by the Assembly. We stated that it was perhaps not a question of whether or not a debate before December 8 was useful, but whether or not it could be prevented. It was finally agreed that as of today no useful purpose could be served by having this question debated in the Assembly. Mr. Menon suggested that we would be in a better position to decide advisability after publication of the document which it is anticipated will be issued by the Repatriation Commission. Menon also stated that if the Korean conference came up during the debate on UNCURK, he might have to state the position taken by Prime Minister Nehru.

208. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2690 Washington, November 21, 1953

SECRET. IMMEDIATE.

KOREA — POLITICAL CONFERENCE

Repeat Candel No. 74.

The meeting at Panmunjom on November 20 was unproductive and the atmosphere was more unfriendly. Dean and the State Department have been exchanging ideas about a new move which might be made by Dean.

2. Murphy has called the representatives of "the sixteen powers" to meet with him at the State Department at 3:45 p.m. on Monday, November 23. The State Department are thinking of authorizing Dean to make a new proposal to the Communists. Murphy wishes on Monday to get the reactions to it of the various representatives. The proposal would be along the following lines:

(1) The participants in the Korean political conference, i.e., the member states of the United Nations contributing armed forces which desire to be represented, together with the ROK as well as Communist China, North Korea, and the USSR, will be listed in alphabetical order (without distinction as to "sides").

(2) In addition, India and perhaps some or all members of the Neutral Nations Repatriation Commission will be invited to participate as observers for the entire period of the conference.

(3) All decisions of the conference shall be made by unanimous agreement between the two sides.

(4) The observers shall be entitled to express their view on any subject on the agenda, but they may not introduce proposals nor vote on any matter.

3. If authority is to be given to Dean, the State Department will probably have to act quickly, because of the danger of a leak after Monday. The proposal appears to represent a considerable step forward from Dean's proposals of November 17. I propose therefore to have my representative speak in favour of it at Monday's meeting unless I hear from you to the contrary.

4. The Canadian, British, Australian and New Zealand Embassies were told about the proposal late this afternoon. Others will probably not be informed until Monday. State Department officials pointed out that the proposed formula was designed to blur the difficult question of the position of the USSR at the conference, although "in our mind the Soviet Union would be on the other side". It was considered that the USSR should be a voting participant, so as to be obligated by the decision of the conference.

209. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-2013 Ottawa, November 23, 1953

SECRET. IMMEDIATE.

KOREA — POLITICAL CONFERENCE

Reference: Your teletype No. WA-2690 of Nov. 21, 1953.
Repeat Candel No. 255; London No. 1844.

We agree that the new State Department proposal outlined in your teletype under reference is worthy of Canadian support. Ends.

210. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Delegation to the General Assembly of the United Nations

TELEGRAM 266 Ottawa, November 25, 1953

SECRET

KOREA — POLITICAL CONFERENCE

Reference: Your teletype No. 477 of November 12, 1953.
Repeat London No. 1869; Washington No. EX-2037.

Following from Acting Under-Secretary, Begins: We would hope that you will have found an opportunity to discuss with the Minister during his visit to New York the matter of future Assembly action on the Korean problem. However, the following outline of Departmental thinking on this subject might not be without value.

2. You will have seen the obviously inspired press reports from Panmunjom which interpreted recent Communist tactics there as stemming from a desire to have the General Assembly debate again the Political Conference. Dean is reported as confident that these Communist tactics will change after the time for debate on the conference has passed at the United Nations. The new US proposal concerning composition, the details of which have been repeated to you in Washington teletype No. 74,[67] would seem designed in part to obviate the need for Assembly discussion on composition. Provided Dean gets over the Rhee hurdle and makes this proposal

[67] Voir le document 208./See Document 208.

to the Communists, the US will be setting the pace at Panmunjom in a direction for which there is general Commonwealth approval. This would seem to emphasize the importance of (a) the composition of the conference not becoming a subject of Assembly debate unless the Panmunjom talks break down or there is good reason to believe that these talks will fail to clear the way for the conference; and (b) the Commonwealth developing no firm line relating to the conference until an indication of US views has at least been sought.

3. When the UNCURK item comes up it may be expected to provide an opportunity for a catch-all debate on Korea. Again, we would hope that a discussion on composition of the conference can be avoided. We should welcome any information you might obtain as to when this item might be debated and the lines along which the debate on the report itself might develop.

4. The new US proposal, while designed to blur the difficult question of the position of the Soviet Union at the conference, does not appear to meet the Communist position which seems to be that neutrals, including the Soviet Union, should not have voting rights. However, the US has moved a long way from the rigid stand on the conference adopted last August and in this light the proposal might perhaps be regarded as a basis for discussion but not necessarily as a final position. You will recall that the Assembly resolution recommending Soviet participation in the conference was vague to the extent that the Russians themselves were able to support it. Moreover, during the August debate the UK delegate argued that the resolutions relating to Soviet and Indian participation were worded differently only as a matter of convenience. The Canadian statement tended to support this view. Even if the US proposal should fail to elicit a favourable reaction from the Communists, the possibility remains that some other formula may be devised at Panmunjom by which the neutrality issue may be skirted and the Soviet Union regarded as having been invited to the conference by both sides. In this event, no further Assembly consideration of the issue would be necessary. Moreover, Assembly discussion at this time would not seem likely to aid in the devising of such a desirable formula.

5. The withering away of US opposition to Indian participation, as revealed in the new proposal, makes it highly doubtful whether there should be any joint effort at this time to influence the US further concerning the desirability of Indian membership. That portion of the new proposal concerning India has been largely lifted from the proposal for a smaller conference on which consultations were recently held in New York. At that time you will remember that Indian membership on an ex officio basis was not regarded as being inconsistent with the Assembly resolution which implemented paragraph 60 of the armistice agreement. It is conceivable that some Assembly action may eventually be necessary to ensure Indian membership but new developments indicate that the subject is far from being ripe for discussion there. Ends.

211. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 571 New York, November 25, 1953

CONFIDENTIAL

KOREA — REPATRIATION COMMISSION

Repeat London No. 20; Washington No. 188.

At a meeting of Commonwealth delegations this morning, Menon stated that the anticipated report from the NNRC has been delayed due to disagreements within the commission and that it will probably not be ready before December 1.

2. When Menon was asked whether or not the matter would be brought up in the Assembly, he stated that it was doubtful that reference to the Assembly could be prevented. "I will say we must report before the end of this session as the work of repatriation has stopped".

3. In Menon's opinion, the matter must at least be referred to the Secretary-General who may make a report to the Assembly. He added that the Indian delegation does not want to bring up the matter but that the USSR may bring up the matter even if the Secretary-General did not report. The Indian delegation here is anxious not to become involved in a debate on the question, but the report of the NNRC must come before the assembly under some item — perhaps UNCURK.

4. In reading a portion of a telegram, Menon explained Nehru's position more fully by saying that "the position is not clear". Nehru had said that the whole POW agreement was a pattern in which the political conference was a part. If the conference did not meet, disposition of POWs "cannot be automatic". The terms of reference of the NNRC include consideration of the POW question by the political conference. If there is no conference, the matter may have to be considered afresh by the two commands.

5. Menon explained that the NNRC would probably divide between Switzerland and Sweden on one side versus Poland and Czechoslovakia on the other side, which would necessitate India taking full responsibility for the final decision.

6. Munro of New Zealand suggested in view of the situation that it was unnecessary to raise the question in the Assembly. Menon replied: "We have to raise the question". If the Indians could be assured that all would go well and there would be no trouble it would not be necessary to raise the question in the Assembly. India, however, could not assume this and had to take precautionary measures to protect its own position.

Note: Above telegram transmitted to London November 26th.

212. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 574 New York, November 25, 1953

SECRET. IMPORTANT.

KOREA — SPECIAL SESSION

Repeat London; Washington.

Menon approached us today stating that he was very sorry not to have been able to discuss with Mr. Pearson the question of further consideration by the General Assembly of Korea after December 8. He is prepared to make a trip to Ottawa to discuss the matter with the Minister during the coming weekend and is very anxious to get the Minister's reaction as to the advisability of recessing the present session of the General Assembly to a specific date about January 10 to give consideration to the question of Korea prior to the 120 day limit for dealing with the prisoners-of-war problem.

2. Menon is very anxious that there shall not be a special session of the assembly on account of the difficulties involved in summoning a special session. He is also very much opposed to a recessed session without a fixed date as this would leave the responsibility of calling the session in the hands of the present President. He stated that this was undesirable for two reasons. In the first place, since India has the main responsibility in the NNRC, it could be embarrassing for an Indian President of the General Assembly to have the responsibility of determining if and when a recessed session should meet. He also stated that the present President was "rather weak and subject to pressures by the Americans through Cordier". It was, therefore, preferable to fix a date for reconvening the present session to consider Korea.

3. In this conversation with Menon, he was much more specific about raising the prisoners-of-war problem prior to December 8 than he had been during this morning's meeting of Commonwealth delegates. He thought that General Thimayya would make reports to the two commands in Korea and not necessarily to the Secretary-General and thought, therefore, it might be difficult to raise the problem in the assembly prior to December 8. It is very urgent, in his opinion, that we should agree to the recessing of the present session of the assembly until early January so that the prisoners-of-war problem can be settled by the Assembly and not leave the responsibility for the final decision at the end of 120 days to be made by India.

4. Will you please contact the Minister as soon as possible so that we may give a reply to Menon regarding our attitude to a recessed session to a specific date.

213. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 575 New York, November 25, 1953

CONFIDENTIAL. IMPORTANT.

KOREA — SPECIAL SESSION

Repeat Washington No. 190; London No. 22.

We were approached by Ward Allen on behalf of the American delegation today to obtain our reaction to an American proposal to call a special session of the General Assembly, if necessary, for the sole purpose of considering the question of Korea. The Americans are anxious to keep both the problems of prisoners-of-war and the political conference from being discussed during this session prior to December 8. They are, therefore, thinking about placing before the General Assembly a resolution in which the preamble would provide for the calling of a special session of the assembly to consider Korea and the operative part of which would postpone the consideration of all questions relating to Korea including the present Korean item (report of UNCURK) during the present session. We have been asked whether or not we would be prepared to co-sponsor such a resolution and support it.

2. While we were unable to state what the reaction of the department would be in this respect, we informed Allen that we would probably agree that there is no advantage to be gained from discussing Korea during the present session but that it might be difficult to prevent such a discussion in view of the stalemate which had been reached in the work of the NNRC. We also asked if it would not be preferable to suggest a recessed session of the 8th Assembly rather than a special session. Allen stated emphatically that the State Department and Lodge preferred a special session because the present Indian President of the General Assembly would not then have the responsibility for deciding whether or not a recessed session should be held and because a special session could be confined to the consideration of the Korean problem alone and would not be open to discussion on other subjects which unfriendly delegations might wish to introduce. We stated that the difficulties of calling a special session might indicate that we were putting unnecessary obstacles in the way of further consideration of the Korean question by the assembly, if necessary, after the termination of the present session on December 8th. Before a special session could be called, it would be necessary to take a poll of a sufficient number of delegations to call the session and when the session was convened a new slate of officers would have to be elected. For these reasons, the likelihood is that we would prefer a recess of the 8th session of the General Assembly.

3. We asked Allen how a discussion of the prisoners-of-war problem could be prevented before December 8. He stated that it was his understanding that General

Thimayya would not make a report to the Secretary-General but that he would make reports to the two commands in Korea. The Unified Command might find it appropriate to report progress to the General Assembly but this could easily be deferred until after December 8th. A resolution providing for a special assembly could be considered prior to December 8, making it unnecessary to discuss any Korean item during the present session.

4. May we have your reaction to the American proposal as soon as possible?

214. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 578 New York, November 26, 1953

CONFIDENTIAL. IMPORTANT.

GENERAL ASSEMBLY — KOREA

Reference: Our teletypes Nos. 571, 574 and 575 of November 25.
Repeat Washington No. 191.

Following the Commonwealth meeting yesterday morning, Lloyd had a private talk with Menon on the form and timing of the Assembly's further consideration of Korean matters. Menon told him that he would probably say in explanation of vote on the Soviet item,[68] either in committee today or in plenary on Saturday, that since the report of the NNRC would not be ready before December 1, there would not be time for the Assembly to give more than cursory consideration to the report before our closing date of December 8. He would therefore suggest that whether or not a brief discussion of the NNRC report took place before December 8, the Assembly should then recess rather than adjourn and the President might be asked to reconvene the session not later than sometime in January yet to be decided.

2. Although he would not say so publicly, Menon went on, he believed that the Assembly should reconvene about January 8 to reconsider the Korean question and especially the disposition of prisoners of war if a political conference had not yet been held or had not yet reached agreement on their disposal. The Indians would then be relieved of the responsibility of casting the deciding vote on this difficult matter.

---

[68] Le point de l'ordre du jour était un projet de résolution intitulé "Mesures tendant à écarter la menace d'une nouvelle guerre mondiale et à réduire la tension dans les relations internationales", document des NU A/2485/Rev. 1, 23 novembre 1953. Il s'agissait d'un plan de désarmement général. Voir aussi les documents 349-351.
The Soviet item was a draft resolution entitled "Measures to avert the threat of a new world war and to reduce tension in international relations", UN document A/2485/Rev.1, November 23, 1953. It was a general disarmament plan. See also Documents 349-51.

3. Lloyd agreed with Menon that it might be well to recess rather than adjourn the Assembly but he was not so sure as to when it should reconvene. He pointed out to Menon that, from the Indian point of view, it might indeed be more embarrassing for the Indian Chairman of NNRC to act on an Assembly resolution which might be supported only by Western Europe and the Americas. Would it not be better from their own point of view, Lloyd asked, for the Indians to reconvene the Assembly after January 22? By then, if he understood the Indian position correctly, the prisoners would in one way or another have been released or returned to their respective commands and the Indian action would then in all probability receive very general support.

4. Lloyd's proposal evidently appealed quite strongly to Menon who saw the advantage for India of taking the decision first and asking Assembly approval afterwards. If the Indians agreed that the Assembly should not be called until after January 22, it should be fairly easy to persuade the United States not to press for an adjournment of the session on December 8 but agree to a recess, the Assembly to be reconvened by the President not later than the end of January.

5. In the meantime, however, at the very hour that we were being informed in strict confidence of the United States delegation's preference for adjourning the session on December 8, Lodge was telling United States correspondents the same thing. This may complicate making a change in the United States position, which could easily have been done if Lodge had been in less of a hurry to tell the press.

215. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 270 Ottawa, November 27, 1953

SECRET. IMPORTANT.

KOREA — SPECIAL SESSION

Reference: Your telegram No. 574 of November 25.

Following from Acting Under-Secretary for Johnson, Begins: Before the Minister left Ottawa he asked me to ask you to see Menon as soon as possible and tell him that he very much appreciates Menon's offer to come to Ottawa but, unfortunately, he will be out of town. You will understand that with the heavy pressures on the Minister during the past week, his timetable has become exceptionally crowded and that it is not possible for him to alter it. He made some preliminary comments on Menon's proposals and the American suggestion contained in your No. 575 and we are sending these together with some departmental thoughts in a following telegram later this morning.

216. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 273 Ottawa, November 27, 1953

CONFIDENTIAL. IMMEDIATE.

DISCUSSION OF KOREA IN GENERAL ASSEMBLY

Reference: Your telegrams No. 574 and 575 of Nov. 25, 1953.
Repeat London No. 1880; Washington No. EX-2048.

Following from the Acting Under-Secretary, Begins: Before the Minister's departure for Toronto, we discussed with him the proposals set forth in your two teletypes under reference. On the assumption that it would be inadvisable to have a general discussion on Korea before the present termination date of December 8 set for the Eighth Session, the following possible courses appear to be open:

(1) To convene a special session with the setting of a fixed date, as proposed by the United States delegation;

(2) To recess the present session with the setting of a specific date of about January 12, as proposed by Menon;

(3) To recess the present session without setting a fixed date;

(4) To adjourn the Eighth Session with the provision that the First Committee should be recessed and be reconvened on a fixed date (possibly January 12). It would remain open to the President of the General Assembly, in the event of an emergency arising, to reconvene the Assembly at an earlier date should this become necessary.

2. The Minister agrees with the views which you expressed to Ward Allen as to the technical difficulties in the way of a special session. Quite clearly there would also be difficulty in view of the precedent of the Seventh Session which was, as you know, resumed at the call of its president. Of the remaining courses of action, Mr. Pearson is inclined to favor the proposal outlined under (4) above. He envisages the First Committee continuing with its work until the UNCURK item is reached and, at that stage, proposing that consideration of the UNCURK item should be deferred until an appropriate date in January when the First Committee would reconvene. Setting a fixed date in January would ensure that the Assembly is in session during the period when events in Korea may be at a critical stage in connection with the two aspects of the prisoner-of-war problem, i.e., the breakdown of explanation procedures in the NNRC, and the disposition of prisoners-of-war on and after January 22, 1954. It would also enable the Assembly to consider the outstanding questions relating to the political conference, should this be necessary at that time. Finally, a recess of the Political Committee only would serve in some measure to meet the United States point that too great a burden of responsibility

should not be placed upon the President of the Assembly in these matters in which India is so directly concerned.

3. We did not have the opportunity of discussing with the Minister the debate which is scheduled to take place in the Second Committee on the UNKRA item. Since the discussion on this item could more readily be conducted on a technical basis, without setting off a general Korean debate, presumably this item could be discussed by the Second Committee before December 8. We would be grateful for your views on this point.

4. Your teletype No. 578 of November 26 was received here after the Minister had left for Toronto. Therefore, the following views on the information contained in that teletype are of necessity Departmental.

5. Our basic aim has been and remains to do all possible to get the prisoner-of-war question out of the way and so prevent it from impeding the convening and progress of the political conference. A fixed date soon after January 22 for the Political Committee to reconvene, provided the Indians would accept such deferment, would seem to have these advantages:

(1) As suggested by Lloyd, disposition of the prisoners will probably have been made by then;

(2) Assembly discussion prior to January 22 would be likely to involve this question of disposition. We think it would be neither proper nor desirable for the Assembly to discuss the interpretation of the terms of reference of the Repatriation Commission. For our part the Minister has made the Canadian position clear: if the political conference does not meet before January 22 or meets and does not take action relating to the prisoners, then the Commission is obliged by its terms of reference to declare their relief to civilian status.

(3) Again, Assembly discussion prior to January 22 of Commission explaining procedures might be expected to yield little more results than the Assembly taking from India responsibility for releasing prisoners and/or the Assembly approving some minor ameliorating procedures for such Commission action as the screening of prisoners without benefit of explanations.

6. We should be grateful if you would discuss the views expressed in this teletype with friendly delegations and let us know their reaction. Ends.

217. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 615 New York, November 30, 1953

SECRET. IMPORTANT.

KOREA — DISCUSSION IN GENERAL ASSEMBLY

Reference: Your telegram No. 273 of November 27.
Repeat London No. 25; Washington No. 200.

We have discussed this question again with Menon. He now favours a proposal to recess the Eighth Session with the provision that the First Committee should be reconvened on a fixed date between January 22 and February 10. He thinks February 8 would be a suitable date. He is definitely opposed to a special session and he is opposed to reconvening the First Committee at the call of the Chairman. He informed us that there would probably be a fight with the Americans in this regard and India would be greatly disappointed indeed if fellow Commonwealth delegates did not support India on the fixing of a definite date.

2. Allen has informed us that the United States would not agree to the reconvening of the First Committee at a fixed date. They are also very definitely opposed to the manner in which the Seventh Session was reconvened in August as this leaves too much responsibility to Madame Pandit. They cannot accept any such arrangement this time. They might be prepared to give up the idea of a special session as they were inclined to see some merit in our argument that a special session would not only involve the election of officers but a number of other complications. They could not agree, however, to fixing a date as there is now no means of knowing whether such a date would be any more propitious than the present time.

3. We expressed the opinion to Allen that it was important to reach some agreement with the Indians before introducing a resolution to the General Assembly dealing with either a recess or a special session. If it is hoped to avoid a debate on Korea during this session by limiting discussion on a resolution to two delegates in favour and two against in addition to the mover, it would be absolutely essential to reach some mutual understanding with the Indians. Otherwise a great deal of opposition will be aroused by the suspicion that an attempt is being made to stifle completely all debate on Korea. Allen was of the opinion that it probably would be impossible to reach any agreement with the Indians. In this case we suggested that a debate of several days duration could perhaps not be avoided.

4. The United Kingdom has informed us that Lodge has approached Jebb who has promised to give consideration to the American preference for a special session. The United Kingdom, however, still favours recessing the First Committee to a fixed date as this suggestion was first made by Lloyd.

5. *Summary*:

The United States opposes

(a) Recess at call of Chairman, and

(b) Recess to fixed date.

They will probably demand either

(a) A special session, or

(b) Recess to request by majority of members.

Menon opposes

(a) A recess at call of Chairman, and

(b) A special session.

He insists upon recessing to a fixed date as he fears Americans may intend to prevent reconvening to consider Korea.

6. It may be that some compromise might be found such as recessing to a fixed date at the call of the President unless by the time chosen the Political Conference has been convened or at least a date has been set making a meeting of the First Committee unnecessary.

218. DEA/50068-40

Note du représentant permanent auprès des Nations Unies

Memorandum by Permanent Representative to the United Nations

[New York], November 30, 1953

KOREA — POLITICAL CONFERENCE

Mr. John Holmes telephoned me to-day to give me the Minister's comments on Menon's suggestion that the General Assembly should be recessed to a definite date, and the United States suggestion that discussion of the Korean question be adjourned for the duration of the Eighth Session. In other words, if Korea is to be discussed before the Ninth Session, it would have to be discussed at a special session of the General Assembly.

Mr. Pearson liked the look of the compromise suggestion set out in paragraph 6 of our telegram, namely that the General Assembly would not meet if the Political Conference had been convened or if a date had been fixed for convening it.

Mr. Pearson also said that he could not be a party to any move different from last year's and any move which would give the President of the Eighth Session of the General Assembly less power than the Seventh General Assembly. However, if Mrs. Pandit herself is not anxious to continue as President after December 8th, Mr. Pearson might be more inclined to accept the United States suggestion.

D.M. JOHNSON

219. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 625 New York, November 30, 1953

CONFIDENTIAL. IMPORTANT.

KOREA — DEBATE IN ASSEMBLY

Repeat London No. 26; Washington No. 203.

From further conversation with Ward Allen this afternoon, it is apparent that the Americans are quite definitely opposed to any recess of the 8th session of the Assembly for further reconsideration of Korea and that they are also anxious to avoid a special session for this purpose. They will probably introduce a resolution to postpone any further consideration of Korean problems during the 8th session. Such a resolution, they pointed out, could be adopted by a simple majority vote. If Menon introduces a resolution calling for a recessed session, it would require a two-thirds majority as the Assembly has already decided to adjourn on December 8. The Americans are, therefore, not greatly worried about Menon's insistence upon recessing to a fixed date.

2. We again pointed out to the Americans that it would be advisable, if at all possible, to reach some agreement with the Indians before introducing a resolution to stop further debate on Korea during the present session. We suggested that a compromise might be reached in accepting a resolution providing that the First Committee could be reconvened at a fixed date if by that date the political conference had not already been convened or if a date for the political conference had not been set. Allen stated that the Americans would give consideration to any reasonable compromise with the Indians but he added that the Americans could accept no resolution fixing a date on which a debate on Korea would be resumed as this would give the Communists encouragement to hold out against all attempts by Dean to reach agreement with them respecting composition, place and date.

3. The United Kingdom still hopes that some agreement may be reached on a recessed session of the Assembly and will continue its discussions with the Americans. It is our opinion that the Americans have made up their minds to have a showdown on the question of no further debate during this session on Korea but they have promised that they will explore with us all possibilities of reaching an agreement satisfactory to the Indians.

4. We pointed out to Ward that India is most anxious to have the endorsement of the United Nations Assembly or the political conference of the position they will have to take on the prisoners-of-war problem prior to January 22. The Americans say that the problem of convening a political conference is just as important as the prisoner-of-war problem and they are most anxious not to have the Assembly take

any action which would encourage the Communists in their opposition to the proposals being suggested by Dean in Panmunjom.

Note: The above telegram has been transmitted to London on December 1, 1953.

220. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 645 New York, December 2, 1953

SECRET. IMPORTANT.

KOREA — DISCUSSION IN GENERAL ASSEMBLY

Repeat Washington No. 211; London No. 30.

At a special meeting called by the Americans at the request of the United Kingdom, delegates of France, Australia, Canada, the United Kingdom and the United States met to consider the Korean question prior to the calling of a meeting of the 16 belligerents to discuss this question.

2. Lodge presented the following as a working paper:

"The General Assembly,

Noting that negotiations for the convening of the Political Conference on Korea are now in progress at Panmunjom,

Expressing the hope that arrangements for the conference will be speedily completed and that the conference will achieve an early settlement of the Korean question, consistent with United Nations principles and objectives,

Desiring to facilitate the present negotiations to the greatest possible extent and to avoid premature consideration of the Korean question,

Bearing in mind that under Article 20 of the Charter and the rules of procedure a special session of the General Assembly can be convened to consider this question when in the opinion of a majority of members developments require such consideration,

Decides to defer consideration of this question (for the present session.)"

3. In the discussion Spender supported the American view particularly in respect to opposition to reconvening the Assembly on a fixed date as suggested by Menon. France, the United Kingdom, and Canada took the position that consideration should be given to the Indian position in view of India's responsibility for some solution of the POW problem. As a result the Americans agreed to modify the fourth paragraph of the resolution quoted above. They are prepared to delete reference to a special session and will accept a reference in this paragraph to the procedure of recessing the General Assembly to be reconvened "to consider this question

when in the opinion of a majority of members developments concerning any aspect of the Korean question require such consideration".

4. Lodge stated that the phrase "concerning any aspect of the Korean question" would have to be submitted to the State Department for approval.

5. At the conclusion of the meeting he stated "I consider that I have been a model of flexibility".

6. This is perhaps as far as the Americans are prepared to go, and it seemed to us that they have come a considerable way from the position they took in their original determination to close this session without further consideration of the Korean problem. They have also made a concession in not insisting upon a special session.

221. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 646 New York, December 2, 1953

SECRET. IMPORTANT.

KOREA — DISCUSSION IN GENERAL ASSEMBLY

Repeat Washington No. 212; London No. 31.

Immediately after the special meeting with the Americans this afternoon, we were approached by Menon who handed to us copies of the following draft resolutions one of which he proposed to put before the First Committee asking which one of the three we would prefer.

(a) "*The General Assembly*

Resolves to stand recessed from December 8, 1953 to February 9, 1954 or another date if in the discretion of the President overwhelming circumstances hereafter arising so warrant."

(b) "*The General Assembly*

Resolves to stand recessed from December 8, 1953 to February 9, 1954, it being provided that the President may for good and sound reasons convene the Assembly on an earlier or later date."

(c) "*The General Assembly*

Resolves to stand recessed from December 8, 1953, to February 9, 1954, unless the President, for good and sound reasons considers that the Assembly should meet on an earlier or later date."

2. We informed Menon that the Americans were definitely opposed to the fixing of a date for reconvening the Assembly and that in our opinion they had come a long way to obtain general agreement. They had not only given up their original hope to close the session without any further debate on Korea and without any

mention of a reconvened session but they had also given up their insistence upon a special session with all the difficulties involved in calling a special session. At first Menon said that he would refuse to budge from his position of demanding a fixed date, but he finally dictated a resolution which he said would be acceptable to him. It is quoted in the following paragraph.

3. "*The General Assembly*

Resolves to stand recessed from December 8, 1953, and requests the President to reconvene the present session to resume consideration of the Korean question in the light of developments and as required by circumstances."

4. The above draft meets the American point except in the provision that the session can be reconvened only at the request of the majority. We suggested to Menon that he should submit this draft to Gladwyn Jebb to get the American reaction.

5. Menon is not in the mood to compromise any further, particularly since he and the Burmese are upset about the American amendments to the resolution on the Burmese complaint against Nationalist China. (See my telegram No. 640 of December 2).†

6. May we have your comments on Menon's final draft.

222. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 290 Ottawa, December 3, 1953

SECRET. IMMEDIATE.

KOREA — DISCUSSION IN GENERAL ASSEMBLY

Reference: Your teletypes Nos. 645 and 646 of December 2.
Repeat London No. 1914; Washington No. EX-2074.

Following from Acting Under-Secretary, Begins: The Minister has seen both these teletypes and thinks that the Indian and United States formulas are not too far apart. He especially welcomes the flexibility shown by Mr. Lodge and wonders if, with a little further discussion, some means might not be found to marry the two drafts.

2. The problem in reconvening the Assembly would seem to be the devising of a draft resolution which would give sufficient responsibility and discretion to the President while maintaining the customary formula that a majority of members should concur in a call to resume the Session. Menon's final draft, by saddling the President with the entire responsibility for deciding if and when the Session should resume, ignores the usual requirement that the majority of members should concur in such action. On the other hand, the Lodge resolution ignores the President.

3. It would be inconsistent with last session's precedent to support the Lodge draft without giving some role to the President. This difficulty might be overcome

if the US were to leave to the President the determination of whether a majority of members favour the Assembly being reconvened. We doubt that such an amendment would so distort the US draft that it would no longer meet their essential requirements.

4. In seeking to work out a compromise solution embodying the two basic points at issue, you might have regard to the wording of the Brazilian resolution of last April which requested the President "to reconvene the Session to resume consideration of the Korean question . . . when, in the view of a majority of members, other developments in Korea required consideration of this question". It might be explained to Menon that if agreement were reached on such a compromise, for practical purposes it would be for the President to take the initiative in proposing to members the reconvening of the Session. Moreover, even if the Menon draft were to be adopted, we should imagine that the President would not wish to go ahead with reconvening the Session without obtaining some indication that the majority of members would agree to this action. Ends.

223. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 667 New York, December 4, 1953

SECRET. IMMEDIATE.

KOREA — DISCUSSION IN ASSEMBLY

Repeat Washington No. 221; London No. 36.

A special meeting of Commonwealth delegates was called by Sir Gladwyn Jebb this afternoon at the urgent request of Menon.

2. Menon stated that he had an urgent telegram from India requesting him to seek Commonwealth support for the Indian position. The Indians feel that, if there is no conference to consider the prisoners of war problem during the 30-day period following the 90 days of explanations, the pattern established by the Armistice Agreement could not be followed. It was important, therefore, in the 30 days following January 22 during which Indian troops will remain in the demilitarized zone, even if the POW's are no longer in their custody, that either the General Assembly or the political conference must not only endorse the position taken by India on January 22, but deal with the situation which would arise subsequently. This is important in order that India may not be charged with not having fulfilled the terms of the armistice in carrying out their duties in accepting custody of the POW's. Menon asked for support of the Commonwealth members to recess the General Assembly to some fixed date between the 120th day and the 150th day.

3. Menon stated that he would be glad to modify his position and would have no objection to a resolution enabling the Secretary-General to reconvene the General Assembly after consultation with the principal members concerned. It was entirely too difficult, however, to obtain the sanction of 31 members prior to reconvening the Assembly, especially from New Delhi where the President would be residing. In appealing for our support, Menon stated that while it was true that India had accepted full responsibility for taking custody of the prisoners of war for a period of 120 days, India had done so largely as a result of persuasion by the other members of the Commonwealth. The Government of India therefore regards it as a "matter of friendship" that Commonwealth members give India support in the difficult position in which India is placed by the failure of the conference to meet.

4. Spender asked whether or not India could accept a compromise which would make it necessary only to obtain the consent of one/third of the members of the United Nations before reconvening the Assembly. Menon replied that, of course, one/third would be better than one/half, but that it would still be a reflection by the Assembly of confidence in the President. Menon then suggested that they would be prepared to accept a compromise which would enable the President to reconvene the Assembly "after consultation with the principal powers concerned" or a compromise which would enable the President to reconvene the Assembly after consultation with the Secretary-General. Jebb raised the possibility of reconvening with the consent of one/third of the members and the Secretary-General.

5. These proposals were boiled down to the following three alternative suggestions, any one of which Menon stated would be acceptable to him.

(a) The Secretary-General, in consultation with the President, shall be able to reconvene the General Assembly.

(b) The Secretary-General shall have power to reconvene the General Assembly if one/third of the members agree.

(c) The President shall have power to reconvene the Assembly, unless a majority of the members express opposition when they are polled.

6. All the delegates present agreed to submit these alternatives to their respective governments for instructions.

7. If the Americans can be persuaded to accept one of these alternatives, the resolution of the 16 belligerents, standing in the name of Brazil, can be appropriately amended. If not, one or more of these alternatives may be submitted as an amendment to the Brazilian resolution.

8. May we have your instructions if possible before 10:30 tomorrow morning, as the Burmese item was completed this afternoon and Korea will probably come under discussion tomorrow morning. We are inclined to favour the third alternative.[69]

---

[69] Note marginale:/Marginal note:

At 10.05 a.m. on 5/12/53 the Minister informed McGaughey that he preferred alternative (c) listed under para. 5 above but had no objections to (a) and (b). On instructions, McGaughey telephoned this information to Mr. [G.B.] Summers of the Delegation in New York, at 10.15 a.m. C.E. M[cGaughey]

224. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 679 New York, December 5, 1953

CONFIDENTIAL. MOST IMMEDIATE.

KOREA — DISCUSSION IN ASSEMBLY

Repeat Washington No. 222; London No. 37.

Immediately after adjournment of the debate on the Indian and Brazilian resolutions on Korea in Committee One this morning, Menon and Lodge shook hands and had a long earnest conversation.

2. Menon has just informed us that Lodge promised to ask the State Department to sanction a compromise resolution along the following lines. (I am quoting entirely from memory as it has as yet been impossible to get a written draft): "The Secretary-General shall be empowered to reconvene the General Assembly after consultation with the President on either of the two following alternate conditions: (a) at the request of any single member unless opposed by a majority of the members, or (b) at the request of one-third of the members."

3. Menon has requested us to use our influence with the Americans to obtain agreement to this compromise. If the Minister agrees, he may wish to request Mr. Heeney to indicate to the State Department that Canada supports this compromise. Jebb is requesting Makins to make representations in support.[70]

[70] Note marginale:/Marginal note:
On 5/12/53 after lunch this teletype was brought to the attention of Mr. Chas Ritchie who undertook to see the Minister on the matter. C.E. M[cGaughey]

225. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassade aux États-Unis

Secretary of State for External Affairs
to Embassy in United States

TELEGRAM EX-2091 Ottawa, December 7, 1953

CONFIDENTIAL

KOREA — POLITICAL CONFERENCE

Repeat Candel No. 304; London No. 1930.

The status of Soviet participation in the proposed political conference seems to have developed into one of the most important issues in the preliminary talks at Panmunjom. There appear to be two facets to this problem: (a) whether the Soviet Union is to be described as a belligerent, neutral or third party of some kind at the conference and (b) ensuring that the Soviet Union will be bound by decisions reached at the conference.

2. As regards (a) above I wonder whether some vague term of designation such as "third party" might not serve as a basis for agreement with each side entitled to stick to its own views about the extent of Soviet complicity in the Korean conflict. For our part we quite appreciate that the United States cannot and should not retract what Dean has said against the Communists' assertions of Soviet neutrality. At the same time I wonder if it is necessary to continue to press this point at the risk of prejudicing the prospects for convening the political conference. You will recall how in August the problem of Soviet neutrality was skirted by a resolution by which the General Assembly recommended Soviet membership in the conference "provided the other side desires it" and which, in the end, even the Soviet delegation supported. As the situation now stands both sides want the Soviet Union to participate but disagree as to how it should participate. I wonder whether it is necessary for the USSR to participate in the conference under the label "neutral" or "belligerent"? Could we not revert to the vaguer wording of the General Assembly resolution which leaves room for both sides to maintain their respective views on Soviet neutrality or belligerence? Would it be possible to agree on a distinction between parties with active belligerent status as members of the two sides and a "third party agreed on by the two sides" as the additional category without using the word neutral. The USSR could be placed in this category consistent with the General Assembly resolution. Members of the NNRC (two of whom might also be questioned as true neutrals) might also be included in this broad category and the whole question of neutrals could then be dropped.

3. I am puzzled by the United States insistence that the Soviet Union must be a full participant signing and bound by the decisions of the political conference. I wonder if some other device might not be explored which would ensure that the Soviet Union would be bound by agreements of the conference we would wish her to observe. As we have been looking at the various agreements that might be

reached at the conference we have divided them into three categories: (a) unification; (b) withdrawal of foreign forces; and (c) security guarantees. I think that the essential is that the Soviet Union should not interfere with the carrying out of (a) and (b) and that she might be bound by (c) by making it an international agreement open for signature by neighbouring states including the Soviet Union and perhaps Japan which need not be full participants in the conference.

4. To develop this thought further, I would assume that the Soviet Union as a limited participant in the conference might be expected to generally go along with any agreements subscribed to by the Chinese Communists and North Koreans for the unification of Korea and withdrawal of foreign forces. Anywhere we wanted to be sure of the Soviet Union being bound it would seem possible to open for signature a general international agreement. What seems to me essential is that the Soviet Union should subscribe to a broad agreement guaranteeing non-interference in the internal affairs of Korea if united and guaranteeing the security of the united country. I don't think that such an agreement needs to be limited to the status of a conference document. The conference might draw up a broad agreement of this sort which, to become operative, would require the adherence of a specified list of powers including the Soviet Union. Even if the Soviet representative did not initial the proposed security agreement as a conference act he could be asked to indicate during the course of the conference whether or not the Soviet Government would adhere to it later.

5. I should be grateful if you would discuss this problem of Soviet participation in the political conference with the State Department on the basis of the indication of my thinking outlined above and let me have their comments.

226. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2810 Washington, December 8, 1953

KOREA — POLITICAL CONFERENCE

Repeat Candel No. 90; London No. 123.

Following is text of written proposal submitted by Dean at Panmunjom on December 8, Text begins:

I. *Composition and place of the Political Conference*

1. The political conference shall take the form of a conference on an equal footing between the two sides referred to in paragraph 60 of the armistice agreement. The two sides participating in the political conference shall have plenary authority as to its proceedings.

2. The political conference shall have as voting participants: Australia, Belgium, Canada, Colombia, Democratic People's Republic of Korea, Ethiopia, France,

Greece, Luxembourg, Netherlands, New Zealand, People's Republic of China, Philippines, Republic of Korea, Thailand, Turkey, Union of South Africa, Union of Soviet Socialist Republics, United Kingdom, and United States of America.

3. All decisions of the political conference shall be deemed to have been reached by agreement among the voting participants on the two sides referred to in the armistice agreement and the USSR, only if a decision has received the affirmative vote of both sides and the USSR at the political conference. All decisions shall be binding upon each signatory government. Each side shall determine its own procedure as to the manner in which it will signify concurrence or non-concurrence in decisions.

Each voting participant shall be bound only by the specific agreements to which it adheres.

4. In consideration of their responsibilities in connection with the stabilization of the armistice and consequent concern in a peaceful settlement in Korea, and to promote the smooth progress of the political conference, some or all of the governments whose nations are now actually working there or who have current experience in Korea and are currently familiar with its problems, shall be invited by both sides to attend and take part in the political conference without vote on either of the two sides.

The governments so invited shall be entitled to express their views in plenary sessions or committee meetings on any items on the agenda agreed upon by both sides when that item is under discussion by agreement between the two sides, and in accordance with the scheduling of debate and speeches acceptable to both sides.

On this basis the invited governments may participate in the discussion in the political conference. In view of the responsibilities of the two sides for reaching agreement, the invited governments shall not introduce formal motions or proposals.

5. The political conference shall be convened at Geneva, Switzerland.

II. *Time of the political conference*

6. The political conference shall be convened not less than 28 nor more than 42 days after the termination of these preliminary talks.

III. *Procedural matters of the political conference*

7. The agenda of the political conference shall be determined on the basis of the armistice agreement by unanimous agreement between both sides at the political conference as its first order of business after its opening and initial organization.

8. Each government represented at the political conference shall be limited to one representative at the conference table with the right to speak. Each representative as designated in the official list of the political conference shall be entitled to appoint a deputy to sit in his absence, due notification being given to the other side.

9. The rules of procedure shall be decided by unanimous agreement between the two sides and shall include regulations for the conduct of meetings, order of speaking, order of items, and scheduling of the opening and closing of debate.

10. The order and timing of debate, and the schedule of speeches and items for discussion shall be determined by unanimous agreement between the two sides. No

representative shall be permitted to speak on any topic not on the agenda or except in the order on the agenda.

11. The political conference shall establish such committees or subordinate bodies as are agreed between the two sides.

12. The official languages of the political conference shall be English, Korean, and Chinese. The English, Korean and Chinese texts of all resolutions and documents of the political conference shall be equally authentic. Representatives of the governments invited by the two sides may bring their own interpreters to participate in the conference.

13. Sessions of the political conference shall be held daily, except Sundays or holidays or as otherwise agreed between the two sides.

14. Except as determined by unanimous agreement between both sides, sessions of the political conference shall normally be closed to the public.

Each side shall be entitled to issue communications to the press following the sessions of the conference.

The conference may meet in executive session if both sides agree, each side being free to propose the end of such sessions at any time. Neither side shall issue any communication to the press following executive sessions, except as agreed to by both sides.

IV. *Administrative arrangements for the political conference*

15. The Secretary-General of the United Nations shall be invited to furnish the joint secretariat for the political conference proceedings and facilities for simultaneous interpretation. This shall not restrict each side, or each government represented, from having such separate secretariat, at its own expense, as it may deem necessary.

16. *Before blank* each side shall designate representatives to meet at Geneva, Switzerland, together with a representative whom the Secretary-General of the United Nations shall be invited to designate, to prepare recommendations for the consideration of the political conference with regard to:

(a) Rules of procedure,

(b) Manner of determining the expenses to be shared equally by the two sides, and

(c) Related administrative and procedural matters.

Their recommendations shall be subject to ratification at the political conference by the unanimous agreement of both sides.

V. *Expenditures of the political conference*

17. Expenditures of each delegation to the political conference shall be borne by each government itself. All joint expenses, such as cost of the conference buildings, joint secretariat, and other joint administrative expenses shall be charged on an equal basis to the governments of the two sides. Ends.

227. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2811 Washington, December 8, 1953

CONFIDENTIAL

KOREA — POLITICAL CONFERENCE

Reference: Our WA-2810 of December 8.

Repeat Candel No. 91; London No. 124.

1. Dean spent fruitless weekend attempting to win approval of Rhee and Pyun[71] to his proposals. Rhee insists that USSR be on "other side" and that there should be no neutrals at all. He is also apprehensive lest ROK be denied proper voice at conference. Dean nevertheless presented his proposals in writing at Panmunjom on December 8th.

2. Meeting of December 7 produced nothing new. Communists continued to insist on their 5 neutrals including Russia. "In interests of peace USSR must participate as neutral. This is firm and unalterable stand of our side".

3. In presenting his proposals on December 8 Dean commented "some governments on our side may not actually attend conference. I understand that it is present intention of South Africa not to attend. There may be one or two others who do not wish to join in this offer or who will not care to attend conference for one reason or another."

4. Dean commented that Communists' rejection was flat and categorical. They did not even read proposals but left them lying on conference table. Communists again accused United Nations side of stalling conference so that they could dispose of prisoners unilaterally. They also strongly criticised conduct of explanations. State Department wonder whether Communist insistence on our "delaying tactics" constitutes only hopeful factor in present impasse, since it might confirm Dean's early suspicions that Communists were themselves aiming to postpone conference until after release of prisoners.

---

[71] Pyun Yung Tai, ministre des Affaires étrangères de la République de Corée.
Pyun Yung Tai, Minister of Foreign Affairs of Republic of Korea.

228. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 688 New York, December 9, 1953

KOREA — DISCUSSION IN ASSEMBLY

Repeat Washington No. 229; London No. 42.

The India-Brazil resolution recessing the General Assembly until reconvened by the President with the concurrence of the majority was adopted in plenary yesterday afternoon by a vote of 55 in favour, 0 against and 5 abstentions (Soviet bloc).

The Soviet bloc made a final attempt to delete the condition "with the concurrence of the majority" but this amendment was defeated by a vote of 5 in favour, 48 against and 5 abstentions.

A brief statement was made by Vishinsky in which he referred to a letter from Chou En-Lai to the Secretary-General. Brief statements were also made by the USA, Poland and India.

229. DEA/50069-A-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELEGRAM WA-2817 Washington, December 9, 1953

CONFIDENTIAL

KOREA — POLITICAL CONFERENCE

Repeat Candel No. 92; London No. 125.

At today's regular meeting on Korea Murphy, after giving the factual information contained in our recent reports on the meetings of emissaries at Panmunjom, observed that Communist tactics seem to indicate that they do not want a conference at this time. He said that Dean had gone about as far as he could in making concessions but in the past few meetings the Communists had made no effort at honest negotiation. They appeared to be attempting to bring about either a break-off or suspension of negotiations. The State Department believed that Dean should continue discussions as long as there was any reasonable hope of agreement being reached. It should be easier to estimate this within the next few days. If by then the Communists continued to give no sign of wishing to negotiate, Dean who had other personal commitments, would probably be authorized to return to the United States

(this would be about December 12). However, his deputy, Kenneth Young,[72] would be left at Panmunjom ready to talk to the Communist emissaries. Murphy said that he was greatly disappointed at the apparent impasse which had been reached, because Dean had made strenuous and sincere efforts to reach agreement with the Communists.

2. Murphy gave some additional details about Dean's weekend conversations with Rhee. He said that Dean carefully went over the draft of his December 8 proposal with the Korean President and made several modifications of wording in attempts to meet some of the latter's objections. With noticeable sharpness of tone Murphy said that Rhee had refused to agree to the proposal because he thought that:

(1) The Soviet Union should be identified as a member of the Communist side;

(2) It was not necessary to invite to the Political Conference any governments other than the members of the two sides; and

(3) On the United Nations side the ROK should have a separate vote and the United States a single vote on behalf of itself and all the other governments. The Communist side should also have two votes.

3. Murphy commented dryly that this did not help matters and that Dean found himself between two fires. It is perhaps worth noting that neither of Murphy's predecessors as Chairman of the regular meetings on Korea, which are attended by Korean representatives, had ever permitted themselves so clearly to imply criticism of Rhee. Murphy, perhaps as a legacy from his Japan days, has always been more outspoken in this regard in private conversation than his colleagues in the department.

4. In the ensuing discussion adverse comments on the Korean attitude were made by several representatives. Murphy said that Dean had tried hard to reach agreement with Rhee, whose views had apparently hardened within the past week. He invited the Korean representative to make a statement. The latter maintained that ROK opposition to participation of neutrals in the conference was not new. Murphy referred to Dean's meeting with the ROK Cabinet on November 26, as a result of which Dean believed at that time that he had Korean approval for the compromise proposal.

5. My immediately following message refers to a private conversation which I had with Murphy on the afternoon of December 8.

---

[72] Kenneth Young, directeur, Bureau des Affaires de l'Asie du Nord-Est, Département d'État des États-Unis.

Kenneth Young, Director, Office of Northeast Asia Affairs, Department of State of United States.

230. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2818 Washington, December 9, 1953

CONFIDENTIAL

KOREA — POLITICAL CONFERENCE

Reference: WA-2817 of December 9.
Repeat Candel No. 93; London No. 126.

I saw Murphy yesterday afternoon in order to discuss with him the ideas contained in your message EX-2091 of December 7. He said that the State Department are anxious to hear any suggestions which might point to a way out of the present impasse. He agreed that, since the main ostensible stumbling block now seems to be the role which the Soviet Union should play at the conference, your suggestion that the Soviet Union perhaps need not be a full participant in the conference but should subscribe to a broad agreement guaranteeing the internal affairs of Korea should be transmitted to Dean at Panmunjom. He pointed out, and I gather from our telephone conversation that you agree with this, that the idea of the Soviet Union taking part in the conference as neither belligerent nor a neutral but as a third party has already in effect been put by Dean twice to the Communists and been rejected by them.

2. Murphy said it was difficult to see a way out of the deadlock in view of the Communists' immediate and rude dismissal of Dean's compromise proposals. They refused even to take up from the table yesterday either the English, Korean or Chinese versions of Dean's written memorandum.

3. The State Department are nevertheless aware of the undesirability of the talks being broken off by our side; hence Young will remain if there is no sign of progress within the next few days and Dean returns. State Department officials have pointed to the fact that the Communists have recently been harping on the prisoners-of-war question. They suggest as a possibility that the Communists, because of the unsatisfactory results of the explanations, may now not wish the prisoners-of-war question to come before the Political Conference at all, and consequently may be seeking to postpone convening of the conference until after January 22.

4. Murphy said that the department think it likely that, when the time limit is up, the Indian custodial force will return the unrepatriated prisoners to their respective Commands, who would presumably release them. He referred to the apparent difference of opinion between Thimayya and New Delhi, with the former having ideas closer to those of the UNC so far as the ultimate disposition of prisoners is concerned.

231. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2888 Washington, December 22, 1953

SECRET. IMPORTANT.

KOREA — POLITICAL CONFERENCE

Repeat London No. 134; Permdel No. 439.

Arthur Dean met at the State Department yesterday evening with representatives of the sixteen powers primarily concerned in Korea. He gave an interesting and, on the whole, encouraging report of his mission to Panmunjom. We are sending by despatch a detailed report of his remarks. This message contains a summary of the most important points he made. I might add that Dean appeared to be in robust health and great good humour.

I. *Preliminary Talks*

2. The Communists had apparently been prepared to drag the preliminary talks on into May. They had intimated as much to Haksar of the Neutral Nations Repatriation Commission. Dean thinks that their initial objective had been to get a Political Conference going so that they could use it as a forum for appeals against actions of General Thimayya regarding the prisoners of war. When that could not be accomplished, the Communists were obviously in no hurry to conclude the preliminary discussions.

II. *Suspension of Talks*

3. Dean expressed the opinion that the Communists became disconcerted when it seemed that too much progress was being made in the emissaries' discussion. He ascribed this as the reason why the Communists had not received well the compromise proposals which he made orally on November 28 and in writing on December 8, by which the Soviet Union would attend the Conference under alphabetical listing, rather than designated as a belligerent. Similarly he thought that the Communists had hoped that the issue of attendance by neutrals would cause friction and disagreement on the United Nations side.

4. As it was, a situation had been reached in which the two sides were not far apart on the role of neutrals or on the agenda. There was general agreement on the voting procedure but the Communists began to harp on Dean's reservation that governments should only be bound on matter to which they had assented. They argued that the Republic of Korea might refuse to be bound by decisions reached regarding unification of the country or the United States might adopt a similar attitude about the withdrawal of foreign troops. Dean admitted there was a difficulty in that there were seventeen sovereign governments on one side but he urged that, from a realistic point of view, it should be realized that the governments wanted a

conference and would not try to wreck it. Furthermore it would in any case not be practical for the conference to bring anything to a vote if one of the major parties objected to it.

5. At the long meeting on December 12 Huang[73] the Chinese spokesman, produced innumerable written questions, couched in truculent and provocative terms, about the voting procedure and whether Rhee would or would not be obligated. At one time he went to the length of asserting "I am going to ask all my questions and you won't leave here until I am ready for you to do so." He charged that when General Harrison signed the terms of reference of the Neutral Nations Repatriation Commission on June 8, he knew that Rhee intended to release the prisoners. After being warned by Dean to be more moderate in language, Huang retorted "we now charge that General Harrison was guilty of perfidy because he knew of the intentions to release the prisoners when he signed the terms of reference." After a series of exchanges Huang said that, because of this show of bad faith, he again asserted that the United States Government was guilty of perfidy and suggested a recess.

6. Dean explained that if he accepted a recess, coupled with repetition of the charge of perfidy, Communist propaganda would promulgate this as an admission of the charge by the United States. He went on to say that another factor was that the Communists' questions regarding the voting procedure and the adherence of the ROK were getting extremely awkward. He thought that a break might have been reached on this point, which would have been bad for the United Nations side. Dean has admitted in private and confidential conversation since his return that it was this latter consideration which really prompted him to make his move.

III. *Prospects of Resumption of Talks*

7. Dean expressed confidence that the Communists would resume the preliminary talks and he thought it likely that they would soon give notice to that effect. He thought that there could be a Political Conference if we got down to brass tacks, which he explained to mean that, if we were willing to have a conference *without Soviet participation*, the Communist side would probably withdraw insistence upon the attendance of the Soviet Union as a neutral. He thought there might be agreement on India and Pakistan as neutrals. He was of the opinion that the problem of voting procedures could be worked out.

8. Dean gave an interesting aside regarding Soviet participation. He said that the Chinese emissary had observed to General Thimayya that the Korean problem was primarily Chinese, so that it was difficult for the Chinese to understand why the United Nations should insult them by not wishing them to take the lead at the conference, and why the Chinese signature should not be regarded as good. He thought this might be significant.

9. Dean believes that the Communists will not resume the war. They are concentrating on the economic rehabilitation of North Korea and on a public peace pro-

---

[73] Huang Hua, délégué de la République populaire de Chine aux discussions préliminaires à Panmunjom en vue d'une conférence politique sur la Corée.
Huang Hua, Delegate from People's Republic of China to preliminary discussions at Panmunjom for Korean Political Conference.

gramme. They are, however, constructing strong permanent defensive positions. Dean believes that the Communists want a Political Conference to take place, but possibly not until they have taken steps to build up North Korea, so that they can then propose the withdrawal of all foreign troops with the ultimate hope of integrating the South into the North.

IV. *Methods of Resumption of Talks*

10. Young has been left in Korea as an accredited representative and the Communists have been so notified. Dean said Young cannot remain there indefinitely but some arrangements will be made allowing for renewal of the talks if the Communists want it.

11. Dean has left the Communists some loopholes to permit resumption of the talks. He has written to them that he will expect them to retract their charge or to be prepared to have it expunged from the record, or to make "some other satisfactory arrangements." He suggested to Haksar that he support the idea that the remarks of both might be expunged from the record. He said that he himself had told General Thimayya that the United States would not be particular about the manner of smoothing over the perfidy imbroglio.

V. *Conversations with Syngman Rhee*

12. Dean had had several conversations with Rhee on the subject of participation of neutrals and on prisoners of war. He thought that there would be no fundamental difficulty with Rhee regarding neutrals, so long as the Soviet Union was not invited as a neutral. We have heard privately that Dean spoke forcibly to Rhee about the excellence of General Thimayya and the work of the Indian Custodial Force and the untruth of charges that the Indians were pro-Communist. Rhee apparently admitted that he might have been wrong about his general charges against India but he repeated that he could not countenance Nehru.

13. We are sending a separate message reporting Dean's remarks about the prisoners of war question.

232. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2889 Washington, December 22, 1953

SECRET. IMPORTANT.

KOREA — POLITICAL CONFERENCE

Reference: My immediately preceding teletype WA-2888.
Repeat London No. 135; Permdel No. 440.

Murphy asked me to see him at the State Department this morning and I have just come back. Hayden Raynor was with him.

2. Ostensibly, Murphy asked me to call to let us know privately that two US divisions are being moved out of Korea but that no significance is to be attached to this movement. Both of these divisions were brought in from the Japanese Islands during the fighting of June last year when the collapse of ROK forces made reinforcements essential. The US forces remaining in Korea (something over five and a half divisions, according to Murphy) are regarded as sufficient for prospective needs. Murphy emphasized that this movement was a "routine" movement.

3. We then turned to matters arising from Dean's report at yesterday's meeting, which is described in my telegram under reference. Murphy was most forthcoming in his replies to the questions which I had refrained from asking in the large gathering. The substance of his replies is contained in the immediately succeeding paragraphs of this message.

4. I said we would think it important that the Communist charge of "perfidy" against the United States and the attitude of the US Government concerning it should not be a bar to the resumption of the talks at Panmunjom. I had been reassured somewhat on this point by Dean's explanation the previous day, although I did not think that his coupling of the withdrawal of the charge with the motion to recess really held water. Murphy assured me that the US would be prepared to accept a very fuzzy formula on this point and indicated, as Dean himself had done, that they did not intend to be really sticky. For example, the suggestion (which came yesterday to the US through Haksar of the NNRC) that the communists trade withdrawal of the "perfidy" allegation for US withdrawal of the "stooge of Moscow" charge would be quite agreeable to Murphy. If the views of Murphy and Dean obtain on this point, it seems unlikely that it will prove a barrier to resumption of the talks.

5. With regard to resumption of the UN Assembly, Murphy replied in answer to my enquiry that "he" would not be favourable to a meeting before January 23. That is to say, the US Government would hope for a clean-cut de facto solution of the prisoners problem before the United Nations met. The reasons, I think, are obvious.

6. With regard to participation of the Soviet Union in the Political Conference, Murphy himself is obviously favourable to our trading no Soviet attendance for withdrawal of the Communist case for their attendance as a neutral. He admitted that this proposition would require a good deal of thought if and when it were advanced by the other side. So far, as I understand it, the suggestion has come only informally and through Indian sources at Panmunjom. I did suggest that, while there was no real importance to be attached to Russian adherence to agreement on withdrawal of forces and unification, it might be thought that they should be bound by a conference decision which would guarantee the integrity of Korea. On the other hand, such a guarantee itself might not be all-important. Murphy was inclined to think that there might be some advantage in keeping the Russians out altogether; their guarantee would go by the boards in the event of a general war; and there might be real advantage in trading with the Chinese as principals.

7. My suggestion that it was important to retain Young (or some other accredited US negotiator) in Korea received a sympathetic response from Murphy. He agreed that as an outward and visible sign of the UN's willingness to carry on the talks,

someone ought to be left there, and I gathered that Young was not going to be brought back as soon as had been planned previously (although there are personal and departmental difficulties because Young and his immediate subordinate are needed elsewhere).

8. Murphy said that the United States would welcome any views you had on the present situation and in particular concerning the possibility of dropping the Soviet Union. He indicated that there would be no decision on their part until they had had an opportunity of considering the problem further themselves and having the views of their allies. Incidentally, I gather that he was at one mind with Dean in all these matters.

233. DEA/50069-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-2202 Ottawa, December 30, 1953

SECRET. IMPORTANT.

KOREA — POLITICAL CONFERENCE

Reference: WA-2889 of December 22.
Repeat London No. 2009; Permdel No. 643.

Thank you for your reports on Arthur Dean's meeting with the representatives of the 16 powers and your private talk with Murphy. There are four current Korean problems for consideration: (a) Soviet participation in the political conference; (b) voting procedure at the conference; (c) participation of India and other neutrals or third parties and (d) date for reconvening of the General Assembly. In this message I propose to discuss only the question of Soviet participation in the political conference. I am pleased that the US are seeking the views of their allies before arriving at a firm decision concerning the suggestion that the political conference be convened without the participation of the Soviet Union.

2. In my opinion, the following advantages might be listed in support of a Conference without Soviet participation:

(a) Such a conference might enhance the possibility of driving a wedge between the Soviet Union and China. It would also point up the ascendency of Chinese over Soviet authority in things Korean and this would seem desirable since the Chinese system and ability to control have not yet reached the Soviet monolithic stage of development. The Soviet Union will probably continue to attach sufficient importance to the maintenance of the Chinese alliance to recognize Korea as being within the Chinese sphere of influence and, therefore, to respect agreements relating to Korea to which the Chinese adhere. However, if the Soviet Union were to run the

risk of jeopardizing the alliance by failing to respect such agreements, the consequences on balance might not be unhappy ones for the West.

(b) It would be particularly advantageous if the Chinese themselves were to initiate any proposal by which Soviet membership in the Conference would be dropped.

(c) Without the Soviet Union, the Chinese position on the other side at the Conference would be paramount and there would be little question as to who was making the play. It would then be easier for our side to keep the debate in focus.

3. On the other hand, I see these advantages in the Soviet Union participating in the Conference:

(a) As senior partner in the Communist alliance and perhaps the better informed on international affairs, the Soviet Union might be prepared at the conference to exert its influence in favor of certain desirable concessions by the other side in the general interests of relaxing international tensions.

(b) As an immediate and demonstrably interested neighbor of Korea, the Soviet Union will be definitely concerned in any settlement of the Korean problem which might be devised. Our knowledge of their concurrence through statements made by their representative in the conference would contribute to the stability of any settlement reached. Their position would probably be brought out into the open during the Conference and this would be more satisfactory than our having to make guesses concerning their reaction.

(c) Since the General Assembly recommended Soviet participation provided the other side desired it, it would be difficult for us to take the initiative in suggesting publicly that the Soviet Union should be dropped. Dean, to mention one of a number of representatives on the UN side, is on record that the Soviet Union is a very much interested party in any Korean settlement. It would be difficult for a case to be made for a shift of UN policy to a position which would exclude the Soviet Union from the Conference.

4. If the Chinese Communists take the initiative in proposing the exclusion of the Soviet Union I think that we should agree. I am afraid, however, that they are too dependent on Soviet military materiel and economic assistance in their industrialization to risk proposing the exclusion of the Soviet Union if the latter has intimated that it wishes to attend. The Chinese might scheme to have us propose Soviet exclusion but I do not see how we could do so and be consistent with the Assembly resolution.

5. It seems to me, however, that some of the advantages of Soviet exclusion as mentioned in paragraph 2(a) and (c) might be gained through the Chinese Communists being given a paramount position in the Conference and all the advantages of Soviet participation listed in paragraph 3 would be held if we took the position outlined in my Ex. 2091 of December 7 in which the Soviet Union would participate in the conference as a third party without voting rights. If the conference made progress toward the unification of Korea consideration could be given at that time to drafting an international convention guaranteeing the security of Korea to which the Soviet Union would be invited to adhere.

6. I would be grateful if you would use this telegram as the basis for a further talk with Murphy. If you think it would be helpful I would have no objection to your giving him an informal minute on the subject.

234. DEA/50069-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2936 Washington, December 31, 1953

SECRET. IMPORTANT.

KOREA — POLITICAL CONFERENCE

Reference: Your teletype EX-2202 of December 30.
Repeat Permdel.

Following from Glazebrook, Begins: In the Ambassador's absence I saw Mr. Murphy briefly this morning and gave him the gist of your telegram under reference. Murphy said that your thinking was similar to that of the State Department. They are in touch with Young on this matter.

2. Murphy expressed his appreciation on knowing your views at this stage. At his request an informal note will be given to him.

3. Murphy also mentioned that the United States Ambassador in New Delhi had been instructed to draw to the attention of the Indian Government the serious consequences of an attempt to hold the prisoners after January 22. The State Department apparently have some doubts as to contrary views, taken, for example, by Menon. Ends.

Note: Above telegram being repeated to London, January 4, 1954.

CHAPITRE III/CHAPTER III

NATIONS UNIES
UNITED NATIONS

PREMIÈRE PARTIE/PART 1

SEPTIÈME SESSION DE L'ASSEMBLÉE GÉNÉRALE[1], DEUXIÈME PARTIE
24 FÉVRIER — 23 AVRIL 1953
SEVENTH SESSION OF THE GENERAL ASSEMBLY[1], SECOND PART
FEBRUARY 24 — APRIL 23, 1953

SECTION A

ORDRE DU JOUR
AGENDA

235. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], February 12, 1953

UNITED NATIONS

41. *The Secretary of State for External Affairs* reported on the forthcoming reconvening of the General Assembly of the United Nations, which would probably sit from three to six weeks.

It did not appear to him that the Canadian delegation need be as large as had been the case during the first part of the session the previous November and December. All questions remaining for discussion would probably be referred to a single committee and, in the circumstances, he thought the Canadian delegation might be restricted to one delegate plus whatever alternates and officials were required. It was understood that Mr. Vishinsky would be attending part of the coming sessions, and this had led to the belief that the Russians might be planning to put forward some fresh proposals relating to the Korean situation. In this connection, the United States had given assurance informally that it would not advocate or support any radical departures from the present far eastern policies of western democracies. On the other hand, there was always the possibility, indeed the probability, that certain irresponsible or at least ill-advised proposals might be put forward in the US Congress. The Canadian delegation might usefully be instructed not to sup-

[1] Pour la reprise de la septième session (17-28 août) consacrée à la Corée, voir les documents 143-158./For the Resumed Seventh Session (August 17-28), dealing with Korea, see Documents 143-158.

port any radical departure from current far eastern policy without first referring the matter back to Cabinet for consideration and direction.

He was somewhat concerned about the manner in which the security screening of US nationals who were members of the UN Secretariat was being conducted in New York. There was some indication that similar screening would be conducted in respect of US nationals who were members of the ICAO secretariat located in Montreal. There was no doubt that the United States had every right to screen US citizens who were members of international organizations if it so wished. However, the manner in which such screening was conducted had given rise to much criticism and certain acrimonious debates in the General Assembly. He felt that the Canadian delegation should do everything it could to stop such debates as they could do no good and simply gave the USSR opportunities to spread Russian propaganda.

The question of Mr. Trygve Lie's resignation as Secretary General of the United Nations would be raised again during the coming sittings and the likelihood was that the resignation would be accepted although there was no sign yet of agreement being reached on the choice of a successor.

42. *The Cabinet*, after discussion, noted with approval the report by the Secretary of State for External Affairs on the forthcoming reconvening of the General Assembly of the United Nations in New York.

J.W. PICKERSGILL

236. DEA/8254-K-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], February 18, 1953

There seems to be some tendency on the part of the United States Government and perhaps also of the United Kingdom Government to take the view with regard to the forthcoming session of the United Nations that if they find any particular item likely to prove embarrassing or difficult, they will simply be able to avoid discussion of it.[2] This frame of mind seems somewhat over-optimistic. It seems, too, quite possible that if the Communists seize the initiative on these "embarrassing" subjects, the rest of us may find ourselves caught off balance. Very little thought seems to have been given to tactics, offensive or defensive, as between the United Kingdom, United States and other governments.

---

[2] Le document porte les annotations suivantes:/The following notes were written on this copy of the document:

There is quite a contrast between all the talk of the new US administration about "seizing the initiative" and their supine attitude towards tactics at the next General Assembly. C. R[itchie]

I certainly agree. L.B. P[earson]

2. On Korea the United Kingdom and United States Governments are in agreement that they wish to avoid "political" discussion. As the Far Eastern Division pointed out in their memorandum to you of to-day's date, the two Governments seem further to assume that as they take this view, other delegations will think likewise. This may be a mistaken assumption. Similarly, should the Soviet Delegation raise the question of Formosa no thought seems to have been given to the attitude which might be adopted by governments with forces in Korea. Certainly the Formosan issue, if raised by the Soviet Delegation, might prove a very divisive one as between the Government of the United States and the non-communist Asian governments. It is obvious that it might also cause some difficulty between the United Kingdom Government and that of the United States and might put us ourselves in a difficult position.

3. The same attitude is evident over the United States item on bacteriological warfare. On this subject the United States authorities have indicated that they do not intend to press for further discussion unless the Soviet Delegation raises the matter. As you pointed out yesterday, this will look very odd to other members of the United Nations as the United States placed this item on the agenda themselves.

4. Mr. Zaroubin has told Mr. Wrong that he expects the United Nations Assembly to last for eight weeks. While it is reassuring to learn that the United States Government do not intend to press forward with proposals for further measures on Korea, it looks a little as though they were in danger of leaving the initiative at the forthcoming Assembly in the hands of the Soviet Delegation.[3]

L.D. W[ILGRESS]

SECTION B

TUNISIE
TUNISIA

237. DEA/5475-DW-19-1-40

Rapport de la Première Commission (questions politiques), septième session de l'Assemblée générale des Nations Unies

Report by First (Political) Committee, Seventh Session of the United Nations General Assembly

[New York], January 15, 1953

FINAL REPORT ON ITEM 60 — THE QUESTION OF TUNISIA

INTRODUCTION [CONFIDENTIAL]

The Tunisian question was considered at the seventh session of the United Nations Assembly against a background of the serious disturbances which had occurred in Tunisia in January, 1952, and of several attempts during the course of the

---

[3] Note marginale:/Marginal note:
I agree. L.B. P[earson]

year to have the matter brought before a United Nations body. A fuller account of these developments is given in *Canada and the United Nations 1951-52* (pp. 28-30).

The present report is divided into two parts. Section A contains unclassified information relating to the examination of the Tunisian question at the seventh session of the General Assembly and the attitude adopted by Canada. Some of this material would probably be suitable for inclusion in *Canada and the United Nations 1952-53*. Section B is a confidential analysis of the Tunisian question and the Canadian position in the light of problems faced and experiences gained in New York. This material may prove useful in the preparation of future instructions for our Delegation to the United Nations, should the Tunisian question again appear likely to crop up on the agenda.

SECTION A [UNCLASSIFIED]

By a joint letter of July 30, 1952, the permanent representatives at the United Nations of thirteen African and Asian states requested the inclusion of the Tunisian problem on the provisional agenda of the seventh session of the General Assembly. An explanatory memorandum annexed to this request blamed the French authorities for the alleged breakdown of negotiations for constitutional reform in Tunisia and charged them with having adopted "repressive measures" against the Tunisian people. The memorandum asserted that the question was being referred to the United Nations in order that a just and peaceful settlement of a serious situation might be achieved.

On October 15, the General Committee decided without division to recommend to the General Assembly the inclusion of the Tunisian and Moroccan items on the agenda of the seventh session, although the Representative of France stated that he would not take part in the discussion or vote on inclusion, since his country could not accept any interference in these questions. The General Assembly, on October 16, accepted the recommendation of the General Committee and, on the following day, referred the Tunisian question to the First Committee for consideration and report.

When M. Robert Schuman, Chairman of the French Delegation, addressed the Assembly in the general debate on November 10, he dealt at length on the relations of his country with Tunisia and Morocco. M. Schuman maintained that France had reconstituted the sovereignty of these territories. With French guidance they had made remarkable progress in the fields of agricultural and industrial development, public health, education and labour relations. France intended fully to honour her obligations under the Charter, which were similar to provisions in the preamble of the French constitution for the guiding of dependent people toward freedom to govern themselves and democratically to manage their own affairs. France was willing to renounce gradually the powers she held under the Tunisian protectorate treaties. The inequality existing in the Franco-Tunisian relationship, which was due to an inequality of means and resources, was meant to disappear, making room for a true partnership. France alone, however, was in a position to decide the stages and timing of the political evolution of Tunisia in consultation with duly qualified Tunisian

representatives. The United Nations was not capable of assuming this responsibility and, in any case, was legally debarred from interfering both by Article 2(7) of the Charter and by the provisions of the treaties binding France to Tunisia. An attempt by the United Nations to interfere would encourage instigators of disorder and terrorism in Tunisia. More important, it would seriously harm the United Nations itself. At any rate, France would under no condition tolerate United Nations intervention.

Following upon M. Schuman's pronouncement, the French Delegation informed the Chairman of the First Committee that it would be unable to participate in the Committee's discussions of the Tunisian and Moroccan problems. Subsequent debate, both in Committee and in plenary session, was carried on in the absence of French representatives.

The Tunisian question was, none the less, fully examined with a large number of African, Asian, Commonwealth, Latin-American, Soviet, and Western European representatives taking part in the discussions.

The first problem to be decided by the Committee related to the proposed participation in the discussions of representatives of France and of Tunisia. On December 10, the Pakistani Representative put forward a 2-point proposal appealing to the Government of France to instruct its Delegation to take their rightful seats in the Committee and inviting the Bey of Tunis to depute a representative to take part in the discussions. Arab and Asian speakers argued that equity demanded that both parties to the Tunisian dispute be heard; that United Nations precedents existed for the proposal to hear a representative of the Bey; and that the proposed procedure was quite in line with the protectorate treaties. In any case, according to these speakers, there was no other way for the Committee to get a clear understanding of the Bey's position regarding the interpretation of the protectorate treaties, which was one of the contested issues. Other speakers, notably the Representative of the United States, took the view that Article 6 of the Treaty of Bardo would appear to preclude the hearing of a representative of the Bey unless prior agreement with the French Government had been arranged. Furthermore, both precedent and a sound conception of the political committees of the General Assembly made it clear that these bodies were essentially deliberative and should not try to assume the functions of a court by hearing a series of witnesses. Finally, the opponents of the Pakistani proposal contended that to invite a representative of the Bey was not likely to facilitate a solution in Tunisia but, on the contrary, would be a further source of tension.

The part of the Pakistani proposal relating to an invitation to a representative of the Bey was rejected in Committee by 26 votes (including those of Canada, the United States and the United Kingdom) to 24 (Arab, Asian and Communist as well as some Latin-American states), and 7 abstentions. When this clause was defeated, Arab and Asian states abstained on the resolution as a whole with the result that no part of the resolution was adopted, although in the clause by clause voting, the appeal to the French Government had previously carried by a vote of 19 in favour, 16 against, and 22 abstentions (including Canada and the United States).

In the discussion on the substance of the Tunisian question, two resolutions were put forward. The first was sponsored by the 13 African and Asian states which had brought the Tunisian question before the United Nations; the second by Brazil along with ten supporting Latin-American states. The African-Asian resolution urged the Government of France to establish normal conditions and normal civil liberties in Tunisia; recommended the resumption of negotiations between the French and the true representatives of the Tunisian people; provided for the establishment of a United Nations Committee of Good Offices to assist in the negotiations; and decided to include the Tunisian item on the provisional agenda of the next session of the General Assembly. The Latin-American resolution expressed the confidence of the General Assembly that the French Government would endeavour to further the effective development of the free institutions of the Tunisian people in conformity with the Charter; expressed the hope that the parties continue negotiations on an urgent basis with a view to bringing about self-government for Tunisia; and appealed to the parties to refrain from any acts likely to aggravate the present tension.

In the debate in the First Committee, member states appeared to be divided into three fairly distinct groupings. The African and Asian sponsors argued in support of their resolution on grounds of security, of law, of human rights, and of the principle of the self-determination of peoples. They took a very serious view of the disturbances in Tunisia and maintained that international peace and security were being endangered by allowing the situation to go on unchecked in the face of French policies involving force and repression. Nor, they contended, could the United Nations escape its responsibility on the grounds that the problem was within French domestic jurisdiction, since France itself recognized the sovereignty of the Bey and indeed took its stand on the provisions of the protectorate treaties. If these treaties were valid international instruments, they could not be interpreted unilaterally by one of the parties to them; and if the other party charged that they were being violated, the only way to determine the validity of the charges was to examine the question in an international forum like the United Nations which was expressly created as a centre for harmonizing the actions of nations in the interests of peace. Many of the African and Asian states agreed that Tunisia had made progress in a technological sense under French guidance; at bottom, however, France had abused her privileges as a protecting power, and, by permanent military occupation, mercantilist economic policies, land grants to French settlers and, above all, by the assumption of direct control of the administration of Tunisia, had in effect reduced Tunisia to the status of a colony. Furthermore, France seemed determined to keep the Tunisians in an inferior position, since a representative government had not been established in Tunisia in spite of the wishes of the Bey and of the Tunisian people. On the contrary, in return for minimal concessions, in the direction of self-government but hedged with innumerable controls, France sought to establish the principle of co-sovereignty in Tunisia.

The argument of African and Asian speakers went on to invoke Article 1 of the Charter referring to the principle of the self-determination of peoples and Article 55 regarding the promotion of human rights. On the latter question, reference was made to the state of siege to which Tunisia had been subject since 1938, and to

alleged acts of violence and repression by the French, the incarceration of Tunisian leaders and the general curtailment of civil liberties. The Indian Representative contended that, even if French government had been uniformly good and Tunisian nationalism had been inspired by French liberal ideas, "good government was no substitute for self-government". Tunisia, which had fought on the side of the Allies in two world wars, should not be denied its freedom when so many less developed countries in Africa and Asia had secured their independence, and when the whole movement of current history pointed to the re-emergence of dependent peoples towards freedom to govern themselves.

The African and Asian speakers were supported by representatives of the Soviet bloc, who sought to illustrate not only that Tunisia was being exploited economically for the benefit of France, but also that Tunisian territory was being used to further the military policies of the United States and the North Atlantic bloc.

At the opposite pole from the African, Asian and Soviet countries was a smaller group of states including Australia, Belgium, South Africa and the United Kingdom. These states considered that the United Nations had no jurisdiction with respect to Tunisia. They therefore did not speak on the substance of the problem, but confined themselves to legal arguments. The provisions of the Treaty of Bardo, it was contended, and particularly the article entrusting the French Government with responsibility for Tunisia's external affairs, placed the Tunisian question within the domestic jurisdiction of France: otherwise the French Government would be in the absurd position of making diplomatic representations to itself. It could not properly be argued, as had been done, that Tunisia had an international juridical personality and, at the same time, that it was a dependent territory and, therefore, subject to Chapter XI of the Charter. The Representative of Australia referred to an Australian proposal at the San Francisco Conference of 1945 which might have led to an extension of the authority of the United Nations with respect to non-self-governing territories. This proposal had been rejected, thus making it clear that the states signing the Charter did so on the understanding that the United Nations should not have supervisory responsibilities with respect to dependent territories, except for trust territories and the provision of non-political information under Article 73(e) of the Charter. The Belgian Representative also referred to the records of the San Francisco Conference, pointing out that the framers of the Charter consciously chose to shield member states from interference by the United Nations in their domestic affairs. This was done *inter alia* by the use of the phrase "*essentially* within the domestic jurisdiction" in Article 2 (7), which was much broader than the corresponding phrase in the Covenant of the League of Nations "solely within the domestic jurisdiction". The wording of Article 2 (7) of the Charter thus removed from the jurisdiction of the United Nations many matters which might have incidental international aspects, but which remained essentially domestic. Assuming Tunisia was essentially within the domestic jurisdiction of France, the United Nations could only properly interfere if international peace and security were threatened. No one could maintain that this was the case. The human rights provisions of the Charter, which bring the problem within the jurisdiction of the United Nations even though it were domestic, were solemn statements of purpose but not binding legal obligations.

A third group of states, including, apart from the eleven sponsors of the Latin-American resolution, Canada, Israel, New Zealand, Norway and the United States, took an intermediate position. Broadly, these states did not consider that the Tunisian question represented a threat to international peace and security. Their views on the competence issue were not identical, but they were generally agreed that the United Nations was competent under the Charter at least to discuss the Tunisian problem in view of the wide concern which it had aroused among member states. The supporters of the Brazilian resolution paid tribute to French culture and liberal traditions, as well as to the role of France in the free world at the present time. They drew attention to the assurances of the French Foreign Minister that France intended fully to honour her obligations under the Charter and to be faithful to the promises embodied in the French constitution. At the same time, these states reflected a sympathetic attitude toward the aspirations of the Tunisian people for self-government. The Tunisian case should be viewed in the context of the evolutionary process by which many peoples had achieved, or were moving toward, freedom to govern themselves. The Canadian Representative referred to the evolutionary process by which Canada had acquired the status of a sovereign nation, emphasizing the mutually beneficial experience of continuing close cooperation between the protecting power and the newly emerging sovereign state. Both Canada and other states in the same group pointed out that the strongest agreements were those reached by mutual consent, and expressed the hope that the parties to the present dispute would sincerely strive to find an agreed solution to their difficulties. The Representative of Norway, noting that the General Assembly had powers of recommendation only, appealed for the highest degree of unanimity among member states in order that the moral force of any resolution passed should have a maximum effect. Both he and other representatives in this group thought that the Brazilian resolution should command this necessary unanimity.

When a vote was taken on the two draft resolutions, the African-Asian proposal was rejected by a vote of 24 in favour, 27 against and 7 abstentions. African, Asian and Communist states supported the resolution while Australia, Canada, New Zealand, the United Kingdom, the United States, most Latin-American states, and Western European countries opposed it. Greece and six Latin-American countries abstained. The Latin-American resolution was adopted by a vote of 45 in favour (including Arab, Asian and Latin-American states, the Scandinavian group, Canada and New Zealand, and the United States), 3 against (Belgium, Luxembourg and the Union of South Africa), and 10 abstentions (including Australia, the United Kingdom and the Soviet bloc). Before the vote was taken on the Latin-American resolution, the Indian Representative offered two amendments which would have deleted the paragraph in the Brazilian resolution expressing the Assembly's confidence that France would endeavour to further the effective development of free institutions in Tunisia, and which would have added a new paragraph requesting the President of the General Assembly to keep under observation the progress of the negotiations, and to give, in his discretion, such assistance as might be useful. Both these amendments were rejected when the vote was taken on the Latin-American resolution. On December 17 the General Assembly approved without change the resolution adopted in Committee by a vote of 44 to 3, with 8 abstentions.

SECTION B [SECRET]

(a) *General approach to the problem of Tunisia at the United Nations*

In contrast to the classical position of the silent abstainer in the face of directly conflicting attitudes by the United States and the United Kingdom, Canada found itself more and more in the company of middle-of-the-road states on the racial and colonial issues which were prominent on the agenda of the seventh session of the General Assembly. Many of the same nations (including Canada and the United States), for instance supported moderate resolutions on the South African apartheid item and the Tunisian and Moroccan items, while the United Kingdom regarded the discussion of all these questions as outside the competence of the United Nations.

When the Delegation's instructions on the North African items were being prepared in the Department, we were aware of the general thinking of the United States State Department and the United Kingdom and French Foreign Offices as the result of consultations through our missions on the spot. Although we had had no pre-Assembly discussions with Scandinavian and Latin-American representatives, the Delegation collaborated closely with members of these groups in New York. We have strong grounds for believing that the United States representatives did discuss the Tunisian situation thoroughly with Ambassador Muniz of Brazil and very probably helped to inspire the resolution formally proposed by the Brazilian Delegation.

Our general position on Tunisia would appear to be fairly similar to that of the United States. As a NATO power and an ally of France, we might be suspect to the Arabs and Asians if we had decided, or in future do decide, to take an initiative on this question. Furthermore, in order to command the respect and to secure the degree of support which any mediatorial effort would require to be effective, we should probably have to be willing to put a greater strain on our relations with the French than we might normally be willing to risk.

It would therefore seem to follow that, if we have ideas which we believe would be helpful and constructive in any future airing of the Tunisian question at the United Nations, and if we are unwilling to take the initiative ourselves, we should think in terms of consultation with the group of states with which we have been most closely associated during the seventh session of the Assembly. These would include the United States, Brazil, Norway and New Zealand.

(b) *Liaison with the United States*

Our liaison with the United States State Department is already very close. We might, however, consider enquiring of the State Department, if it appears likely that Tunisia is to be discussed again, about the role they expect Latin-American states to play. We might, thereby, come to learn of preliminary conversations which may have been taking place between the United States and the Latin-American nations.

We might also perhaps try to learn more of the tactics which the State Department may be planning for the United States Delegation. At the seventh session, the United States Delegation took a very rigid position with respect to rather mild amendments to the Latin-American resolutions on both Tunisia and Morocco. The United States Delegation threatened to vote against any resolution which did not follow the exact formula proposed by the Latin-American sponsors and actually

carried out this threat with respect to Morocco by voting against the Latin resolution as a whole in the First Committee when a minor Pakistani amendment had been adopted. This tactic produced an expression of resentment from the Pakistanis and may have done the United States some harm among the African and Asian group as a whole. It is probable that the decision to apply this pressure was taken in the light of events in New York, more particularly when the possibility developed of pushing the Latin-American resolutions through without amendment. In preparing any instructions for a future delegation, we should probably do well to bear in mind the possibility of sudden tactical moves by the United States Delegation.

The Scandinavians and ourselves did not follow the United States gyrations on the Moroccan item at the seventh session, and the sponsoring Latin-American states were somewhat reluctant to go along with them. Any information which our Embassy in Washington might be able to secure on possible "pressure tactics" would be useful for us to know and might save the Delegation from facing an embarrassing choice at the last moment. The Delegation itself should bear in mind the importance of close consultation with the United States Delegation in the hope of getting warning at as early a stage as possible of any dramatic switches.

From a broader point of view, it would also be helpful to consider how far we should try to prevail upon the United States to refrain from adopting tactics of the type used at the seventh session. It would seem that one of our general objectives at the United Nations is to instil in the Arab-Asian group a sense of responsibility and a willingness to accept moderate proposals if the majority feeling in the United Nations is against adopting the stronger measures which they may favour. It is difficult to instil this sense of compromise if we, and particularly the United States, reveal ourselves as unwilling to compromise in the face of reasonable amendments and use our voting power in a way which we deplore when it is done by the Arab bloc. Insofar as we are serious about the exercise of "Bridging the Gap", the adoption of a very rigid position and the use of bloc voting should, it would seem, be avoided.

(c) *Consultation with Other States*

The Delegation collaborated intimately with the Brazilians at all stages of the Tunisian and Moroccan debates. We gave them discreet encouragement to go ahead with the proposal when they were in some doubt following the French Cabinet's rejection of it. (The Brazilian proposal was discussed in confidence with M. Schuman, who was personally not inclined to oppose it and agreed to put it to the French Cabinet.) It was helpful to us, both in the preparation of our statements and in our voting, to be informed by the Brazilian Delegation of the tactical moves of the Latin-American sponsors. It would seem advisable to consider pre-Assembly discussions either with the Brazilians or with other Latin-American states who may be planning to take the initiative on the Tunisian or Moroccan questions should it appear likely that these problems will again be coming before the United Nations. In any event, it would be advisable for *our Delegation* to establish contact with the Latin-American representatives at an early stage in a future session since, even if no moves are planned *before* the Assembly, it is quite possible that compromise moves on Tunisia will continue to come from this quarter.

It would also seem useful to keep in close touch with the Scandinavians. We understand that Mr. Finn Moe of Norway was seriously considering putting forward a mild resolution on Tunisia if the Brazilian initiative had not gone forward. Although personalities are bound to vary from year to year, Mr. Moe seemed to be the leader of the Scandinavian group on the North African items at the seventh session, and the representatives of Sweden and Denmark were reluctant to state their position on these questions before they had consulted with him. If we continue to attach importance to the consideration that NATO powers should not participate too directly in the North African questions, we should bear in mind the possibility of the Norwegians using their influence with the Swedes to sponsor a compromise proposal. The fact that the Trades and Labour Congress and the Canadian Congress of Labour have jointly expressed an interest in the North African problems is a further consideration arguing in favour of pre-Assembly discussions with the Norwegians, assuming that labour and social democratic forces continue to have preponderant influence in the Scandinavian governments.

On the North African items, the New Zealand Delegation consulted with us frequently and both their statements and their voting were very close to ours and in marked contrast to the position adopted by Australia and the United Kingdom. It would seem worth while to encourage this tendency among the New Zealanders. As their ideas on competence are not quite as far advanced as ours, they may wish to remain in the background in future discussions of French North African affairs. On the other hand, New Zealand has a traditional and important interest in the Middle East and, not being a member of NATO nor having very direct ties with France, might perhaps be willing to adopt as its own some of the ideas which we might have but find it difficult to express by reason of our alliance and close ties with the French.

(d) *Commentary Article on Tunisia*

The attempt to follow the disposition of the Tunisian item through the various stages of United Nations discussion was a useful approach, and it is suggested that this form be followed again, should it be necessary to prepare instructions for a future delegation. The Delegation to the seventh session was in danger of finding itself in an embarrassing position, however, by reason of the stipulation in the commentary that Cabinet approval be obtained for even the mildest resolution before the Delegation vote in favour of it. The Delegation was thus in the awkward position of being instructed to give encouragement to the moderate proposal put forward by Brazil while, at the same time, it was unable to commit itself formally to the Brazilian initiative pending word from Ottawa. It would seem desirable to give the Chairman of the Canadian Delegation a somewhat wider discretion within the framework of clearly established *principles*, if it is intended that the Delegation should play a positive role on the North African issues in possible future discussions.

A second difficulty presented by the requirement of Cabinet clearance lies in the fact that the timing of voting at the United Nations does not in any way correspond to the regular meetings of the Canadian Cabinet. If the Tunisian issue should be raised again at the United Nations and should appear so important and delicate that

it is not considered possible to leave discretionary authority with the Chairman of the Delegation or the Secretary of State for External Affairs, it would be more feasible, because of the uncertainty of the timing of the voting at the United Nations, to require clearance of a difficult point with the Prime Minister rather than with Cabinet as a whole.

SECTION C

POLITIQUE À L'ÉGARD DU PERSONNEL
PERSONNEL POLICY

238. DEA/5475-H-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], February 6, 1953

CABINET MEMORANDUM ON UN SECRETARIAT PROBLEMS

I attach a memorandum on the United Nations Secretariat problems. You might wish to use a document of this sort:

(a) Merely as notes to consult when speaking about this in Cabinet; or,

(b) As a Cabinet memorandum to be reproduced and distributed to Cabinet by way of more permanent record. I think the memorandum is probably general enough in its statement to permit a great deal of flexibility in taking subsequent, detailed decisions;

(c) As in (b) above but omitting Part III, which is somewhat more detailed, and thus placing before Cabinet only the broad objectives of Canadian policy without precise recommendations.

2. Could you indicate how you would like this handled?[4]

L.D. W[ILGRESS]

[4] Voir le document 236./See Document 236.

[PIÈCE JOINTE/ENCLOSURE]

Note pour le Cabinet

Memorandum for the Cabinet

SECRET [Ottawa], February 6, 1953

UNITED NATIONS SECRETARIAT PROBLEMS

I. *Historical Review*

The current wave of investigations into the loyalty of United States citizens in all walks of life spread, during the second half of 1952, to the Americans employed by the United Nations. The state of public opinion in the United States and the refusal of certain American Secretariat employees to answer questions put to them by United States investigating bodies prompted the Secretary-General to seek the advice of three well-known lawyers concerning the personnel policy which he should pursue. These lawyers recommended among other things that:

(1) the Secretary-General should dismiss all employees convicted of subversive activities against the host country;

(2) the Secretary-General should dismiss all United States employees who plead their constitutional privilege to refrain from answering questions which might tend to incriminate them;

(3) the Secretary-General should dismiss all employees who he has reasonable ground to believe have been, are, or are likely to be engaged in subversive activities against the host country. The lawyers suggested the establishment of an Advisory Panel to help the Secretary-General reach decisions in regard to this category.

After the Secretary-General had indicated that he would use the lawyers' recommendations as a basis for his policy, the UN Assembly decided to include an item on personnel policy on the agenda of the resumed session. At that time member states can state their views and discuss the full report which the Secretary-General is preparing.

Since 1949 the Secretary-General has had an informal arrangement with the United States under which the State Department indicated to the Secretariat merely whether adverse security information was or was not available concerning present or prospective American employees. This arrangement was termed inadequate both by the Secretary-General and by the Senate Sub-Committee and on January 9, 1953, President Truman issued an Executive Order whereby security investigations of all United States citizens employed or seeking employment in the United Nations would be conducted and the information thus obtained would be passed to the Secretary-General, subject to United States regulations governing the release of security information.

To assist him in assessing the security information available on United Nations employees, the Secretary-General decided to set up the Advisory Panel recommended by the three lawyers and asked Mr. Pearson to suggest the names of eminent Canadian jurists, one of whom might serve as an independent chairman of this Panel. Subsequently, Mr. Leonard W. Brockington, QC, accepted Mr. Lie's invita-

tion to serve as Chairman of the Panel which is made up of himself and two senior United Nations officials. It has been made clear both privately and in public that Mr. Brockington is serving in his personal capacity and not as a representative of the Canadian Government.

The Presidential Executive Order is now being put into effect with the co-operation of the Secretary-General who has not agreed to act solely on the basis of the information made available under this Order but has welcomed its general provisions. He is not only circulating official United States questionnaires to all American employees on the Secretariat but is also arranging for their fingerprinting by United Nations employees on United Nations premises. The Director-General of WHO, with its headquarters in Geneva, has announced his intention to cooperate in the implementation of the Executive Order and UNESCO (headquarters in Paris) and ICAO (headquarters in Montreal) are expected to follow WHO's lead in the near future.

The Secretary-General's full report to member states has been published. In it, he re-affirms the independence of the Secretariat and his sole responsibility, under the Charter and the Staff Regulations approved by the Assembly, for the employment and dismissal of Secretariat staff. But he points out that the difficult circumstances of his relations with the host government necessitate a balance between the ideal and the practical and he proposes to use as a basis of his personnel policies the recommendations of the three lawyers. In particular, he agrees with their opinion that anyone invoking constitutional privilege, even in regard to past associations, should be dismissed. Further, he goes beyond the lawyers' opinion by stating the principle that he should not retain on the staff of the United Nations anyone who he has *reasonable ground* to believe is engaging or is likely to engage in subversive activities *against any member government.*

The United States-United Nations arrangements for the investigation of American employees are for all practical purposes a *fait accompli*. The first symptoms of the problem seemed to involve the relations of the United Nations with the host country, i.e. the United States. Now, however, the United States Executive Order covers Americans employed by all international organizations situated anywhere in the world. This new aspect involving a relation between a United Nations employee and the member state of his origin seems to have been perpetuated in the Secretary-General's report when he speaks of subversive activities against any member government being sufficient reason for dismissal. Whether in practice the Secretary-General and the directors of the Specialized Agencies will confine themselves to action in regard to United States citizens, since it is their government which is the most exercised, is yet to be seen. It is probable, however, that investigations and dismissals will tend to spread to nationals of other member states, first to those employed in the United States and later, through pressure of other member governments, to those employed outside the United States.

II. *General Objectives of Canadian Policy*

1. To maintain the independence of the United Nations from domination by one or more Member states; as part of this aim to ensure the independent, international status of the Secretariat.

2. To ensure that United States support for the United Nations be continued effectively and to this end:

(a) Achieve a modus vivendi between the United Nations and United States to meet the just security demands of the United States and to allay public suspicion in the United States that the United Nations Secretariat represents a security risk;

(b) To prevent the launching of a strong movement by the United Nations or the United States to remove the United Nations headquarters from the United States.

3. To achieve a situation in which the United Nations Secretariat, unharassed and assured of reasonable security of tenure, can again function effectively, with dignity and self-confidence.

4. To avoid measures which might lead to the withdrawal of the USSR from the United Nations.

5. To find a formula which, mutatis mutandis, would permit the United Nations and Specialized Agencies to operate harmoniously in other host states.

6. To protect the legitimate security interests of Canada.

III. *Recommendations*

The Canadian position should be:

1. That no express exception be taken by Canada to US governmental measures under the Executive Order but that the hope be expressed in measured terms that Member states generally will not wish to influence the Secretary-General unduly in regard to the employment of nationals of their respective countries.

2. That Canada should outspokenly emphasize that the Secretary-General, subject to the Charter and decisions of the General Assembly, is solely and finally responsible for employing or terminating the employment of members of the Secretariat and that his responsibility must not be diminished if the Secretariat is to remain truly international and if efficiency is to be maintained by employment on the basis of individual qualification.

3. That the Secretary-General should continue to give due consideration to the legitimate security requirements of host states and will avoid employing persons whom he believes to threaten the security of host states.

4. That the Secretary-General, subject to the Charter and decisions of the General Assembly, should dismiss (or not hire) persons whose employment he is convinced is not in the best interests of the United Nations.

5. That the Secretary-General should not be bound to dismiss an employee on security grounds unless he has evidence before him which he finds convincing as to the employee's unsuitability for United Nations service.

6. That Canada should maintain the position of permitting the Secretary-General full independence in the hiring of Canadian nationals. To this end the Canadian Government will not undertake UN recruitment in Canada nor establish a system of security screening for Canadians employed with the United Nations Secretariat or applying for such employment but that the Canadian Government be prepared to answer specific enquiries from the Secretary-General about Canadian employees or applicants for employment with the United Nations Secretariat.

7. That efforts be made to establish suitable United Nations appeals machinery for persons dismissed by the Secretary-General on security grounds.

8. That the Secretary-General should seek the guidance of the General Assembly, whenever possible, before taking important initiatives in personnel policy.

239. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Divisions

[Ottawa], April 7, 1953

Personnel Policy

4. *Mr. Scott.* The debate on personnel policy came to an end on April 1 after 27 countries including Canada[5] had been heard from. The General Assembly then approved a resolution paragraph by paragraph, and subsequently as a whole by a vote of 41 in favour, including Canada, 15 against and 4 abstentions. This 13-power resolution, after recalling the provisions of Article 100 and 101 of the Charter,

(a) Expresses confidence that the Secretary-General will conduct his personnel policy with the provisions of the Charter in mind;

(b) Requests the Secretary-General to submit to the General Assembly's eighth session a report on the progress made in the conduct and development of personnel policy, together with the comments thereon of the Advisory Committee on Administrative and Budgetary Questions;

(c) Invites the Secretary-General and the Advisory Committee to submit their recommendations as to any further action that may be required of the Assembly, and finally;

(d) Asks all United Nations Members to assist the Secretary-General in the discharge of his responsibilities.

An Arab-Asian proposal calling for the establishment of a 15-member committee to study the problem and report to the General Assembly's eighth session was previously defeated by 21 votes in favour, 29 against, including Canada, and 8 abstentions.

. . .

[5] "Personnel Policy in the United Nations", une déclaration faite par le chef par intérim de la délégation canadienne à la septième session de l'Assemblée générale des Nations Unies, M. Paul Martin, en séance plénière, le 30 mars 1953, et publiée dans Canada, *Supplementary Paper*, n° 53/18, Affaires extérieures.
"Personnel Policy in the United Nations", Statement by the Acting Head of the Canadian Delegation to the Seventh Session of the United Nations General Assembly, Mr. Paul Martin, delivered in Plenary Session, March 30, 1953. Canada, Department of External Affairs, *Supplementary Paper*, No. 53/18.

SECTION D

TROUPES NATIONALISTES CHINOISES EN BIRMANIE
CHINESE NATIONALIST TROOPS IN BURMA

240. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 116 New York, March 26, 1953

CONFIDENTIAL. IMPORTANT.

CHINESE NATIONALIST TROOPS IN BURMA

Reference: Our telegram No. 29 of March 4,† and WA-616 of March 10 from Canadian Embassy, Washington.†
Repeat Washington No. 74.

The Burmese Government have asked for an additional item to be placed on the Assembly's agenda in the following terms: "Complaint by the Union of Burma regarding aggression against her by the Kuomintang Government of Formosa". This request has been circulated this afternoon, March 26, as Document A/2375.†

2. The Burmese explanatory memorandum enlarges upon the depradations of General Liu's[6] troops, numbering approximately 12,000, who have been operating near the Burma-Thailand frontier. The memorandum mentions new recruits being "armed with new weapons which could only have come from sources outside Burma". The memorandum also charges that Chinese Nationalist forces have fought Burmese forces in alliance with insurgent Burmese elements. In conclusion, the memorandum points out that attempts to find a solution through the intervention of the United States with the Government of Formosa have so far proved unsuccessful. Accompanying the explanatory memorandum is a draft resolution, the text of which is given in our immediately following message, calling upon the General Assembly to recommend to the Security Council that it condemn the Government of Formosa for the acts of aggression of its forces in Burma, and asking that steps be taken to stop them.†

3. According to Ward Allen, of the United States delegation, they have as yet no indication from Washington as to what attitude they will take to these developments which, as you know from message WA-616 of March 10,† the United States Government had tried to avert. As Allen remarked, whatever the United States says on this subject before the General Assembly will be wrong.

[6] Probablement le général Li Mi, commandant des forces nationalistes chinoises (Kouo-min-tang), en Birmanie.
Probably General Li Mi, Commander of Nationalist Chinese (Kuomintang) troops in Burma.

4. It will also be highly embarrassing to the Thailand delegation and will offer full scope for Soviet propaganda.

5. Barrington, the Burmese permanent representative, has not yet returned from Rangoon. Before he left, he had said privately that he hoped that his government would not take formal action in the General Assembly, but he realized that for domestic political reasons it might be a matter of life or death for his government, who are under acute pressure from opposition parties because of the activities of Chinese nationalist forces which repeated representations have failed to check.

6. We have not yet had an opportunity to check with more than two or three delegations, but it seems probable that no attempt will be made to keep the proposed item off the agenda when the General Committee meets to consider its inclusion, probably next Tuesday, March 31.

7. We should appreciate your comments as soon as possible for our guidance in discussing this matter with friendly delegations.

241. DEA/5475-DW-19-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 46 Ottawa, March 30, 1953

SECRET. IMMEDIATE.

CHINESE NATIONALIST TROOPS IN BURMA

Reference: Your telegram No. 116 of March 26th and WA-768 of March 27th from the Canadian Embassy, Washington.†
Repeat Washington No. 543; London No. 496.

Following from the Under-Secretary, Begins: On the assumption contained in your telegram under reference that the General Committee will meet tomorrow (March 31st) to consider the inclusion of the Burmese item, the following are our views concerning the attitude which it is recommended that Canada should take on the vote for the inclusion of the Burmese item.

2. There are, of course, some arguments against voting in favour of the inclusion of this item on the agenda of the current Session of the General Assembly.

(a) Any discussion of this issue would almost certainly embarrass the United States (On the other hand, the threat of inclusion of the item might force the United States to exert even stronger pressure on Chiang K'ai-shek to remove his forces. Indeed, in the Washington telegram under reference (repeated as No. 21 to you), there are indications that Chiang K'ai-shek is yielding to pressure on this issue).

(b) A vote in favour of inclusion of the item would further strain Canada's relations with Nationalist China.

(c) Any discussion of the item is bound to be an excellent propaganda forum for the Communists. (On the other hand, however, they could secure equal propaganda value from the issue if the General Assembly refused to discuss the item).

3. There would seem to be even stronger arguments, however, on the side of voting in favour of the inclusion of the item.

(a) Under the Charter, there would seem to be no reason why Canada should vote against the inclusion of the item. Under Article 10, "the General Assembly may discuss any questions or any matters within the scope of the present Charter". The limitation contained in Article 2 (7), which debars the United Nations from intervening in matters "essentially within the domestic jurisdiction of any State", does not apply to this complaint of Burma against the Chinese Nationalists. In view of the broad provisions of both Article 10 and Article 14, and further, since the limitation of Article 12 is inapplicable, we believe that it would be consistent with the Canadian position concerning the functions of the Assembly to vote in favour of including this item on the agenda.

(b) The explanatory memorandum, which detailed the importance and urgency of the Burmese request, states the facts of the situation accurately according to the information available to us. The tone of the charge is not immoderate and the Burmese Government has shown restraint in not pressing this issue in the General Assembly before.

(c) The Burmese Government seems to have under control the native insurrections, by both the Communists and the Karen tribes, and it is only the Chinese Nationalist forces, which have maintained themselves in north-eastern Burma since 1949, which have successfully resisted the military campaigns of the Burmese Army. If the Burmese item is excluded from the agenda, the Burmese Government can, with justice, ask for foreign help to cope with this problem and could possibly call upon military assistance from the Chinese Communists. In fact, it is not impossible that an important factor in the Burmese submission at this time may have been pressure from Peking to clear up this matter.

(d) This Burmese item has probably been cleared with the Arab-Asian *bloc* and a negative vote by Canada on the inclusion of the item would offend this group. Further, it might alienate the members of the "new Commonwealth", i.e. India, Pakistan and Ceylon, by cutting across the policies behind our contribution to the Colombo Plan.

(e) A General Assembly vote against the inclusion of the item would tend to discredit the United Nations Organization in an area of the world where the continued prestige of the United Nations is important to us. Keen resentment would develop in South East Asia if the United Nations refused to discuss the activities of these Chinese Nationalist forces in northern Burma.

4. Thus I would strongly recommend, if the matter is brought to a vote, that Canada cast an affirmative vote for the inclusion of the Burmese resolution as an additional item on the agenda of the current Seventh Session of the General Assembly.

242. DEA/6676-40

Extrait du télégramme du chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Extract from Telegram from Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 130 New York, March 31, 1953

CONFIDENTIAL

CHINESE NATIONALIST TROOPS IN BURMA

Reference: Your teletype No. 46 of March 30.
Repeat Washington No. 87.

The General Committee this afternoon, March 31, decided without opposition to recommend to the General Assembly the inclusion of the complaint "by the Union of Burma regarding aggression against her by the Government of the Republic of China". As you will see, the title of the item has been amended. The original memorandum referred to the "Kuomintang Government of Formosa". The vote was 9 in favour of correcting the reference to the Government of China, 2 against (USSR and Czechoslovakia) and 1 abstention (United Kingdom). The United Kingdom delegation explained to us privately that they were unable to vote for the change as they thought it would have implied that the United Kingdom Government recognized the Government of Formosa as the Government of China. So long as the Nationalist Government continues to be recognized as the Government of China in the United Nations, the logic of the United Kingdom abstention seems somewhat obscure and thoroughly annoyed the United States delegation.

. . .

243. DEA/50069-A-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 140 New York, April 1, 1953

CONFIDENTIAL. IMPORTANT.

GENERAL ASSEMBLY — BURMA AND KOREA

Reference: Our teletypes Nos. 128† and 130 of March 31.
Repeat Washington No. 93.

Following from Johnson, Begins: Sir Gladwyn Jebb is calling a meeting on Monday, April 6, of the "old" Commonwealth delegations to discuss tactics on the items remaining on the Assembly's agenda.[7] I should particularly like your comments and instructions on the item dealing with Chinese Nationalist troops in Burma and on the future handling of the Korean question at this session of the Assembly.

2. I had a word with Mr. Pearson today about the Korean question and he agreed that:

(a) If possible, no action should be taken in the Assembly which would postpone or complicate direct negotiations at Panmunjom on the exchange of sick and wounded prisoners, and on the further proposals announced by the Chinese on March 30;

(b) We should not support any move to invite the Chinese Communists to send representatives to New York while there is a possibility of negotiating with them fruitfully through the established channel at Panmunjom.

3. In the present mood of the Assembly, a proposal to invite the Chinese Communists to send representatives to clarify Chou En-Lai's proposals is likely to get more support than at any previous time since the Korean war began, but will not, in our opinion, be adopted. Nevertheless, it would certainly be embarrassing and probably for that reason will be advanced by the Soviet delegation, as Molotov has already indicated.

4. Nobody seems to have any very clear ideas as to how the Burmese item should be dealt with in the Assembly. A few days ago there was some private discussion of the possibility of having the item referred to the Security Council with a minimum of discussion in the Assembly, but I think this has now been dropped because:

(a) Vishinsky will be in the Chair of the Security Council for April;

---

[7] Les délégations du "vieux" Commonwealth, c'étaient celles des pays comme le Canada, l'Australie et la Nouvelle-Zélande, qui furent décolonisés avant la Deuxième Guerre mondiale, par opposition à des pays comme l'Inde et le Pakistan.
"Old" Commonwealth delegations referred to those of countries such as Canada, Australia and New Zealand which were decolonized before the Second World War, as opposed to countries such as India and Pakistan.

(b) The Chinese would probably veto any Security Council resolution, and therefore —

(c) The Burmese would be unlikely to agree to forego Assembly discussion.

5. The United Kingdom delegation has therefore been thinking of the possibility of the Assembly appointing a mediator and prevailing upon the Burmese to drop any outright condemnation of China as an aggressor. Sir Gladwyn Jebb tried out this idea on the Burmese representative this morning, April 1, with, he thinks, some degree of success. At least U. Kyin seemed to recognize that his resolution would not emerge from the General Assembly without amendment.

6. I should be grateful for your comments by Monday morning, April 6. Ends.

244. DEA/6676-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 52 Ottawa, April 2, 1953

CONFIDENTIAL. IMPORTANT.

GENERAL ASSEMBLY — BURMA

Reference: Your teletype No. 140 of April 1, 1953.
Repeat Washington No. EX-568.

Following from the Under-Secretary for Johnson, Begins: Regarding paragraphs 4 and 5 of your teletype concerning the Burmese complaint, it is our opinion that the situation regarding this item is too obscure for us to give concrete instructions to you from Ottawa at the present time. However, we have several suggestions to make regarding possible courses of action that could be taken on this issue.

2. We note, in your teletype No. 130 of March 31, that Dr. T.F. Tsiang, the Chinese Nationalist representative, in his statement in the General Committee, publicly washed the hands of his Government of responsibility for the 12,000 troops "said to be operating in Burma". This may indicate that the Nationalist Chinese Government, by disassociating themselves with the activities of General Li Mi's forces, may have agreed to accept the United States offer of transportation from Thailand to Formosa.

3. We consider it not impossible that Burma will withdraw the resolution before it comes up for formal vote. Your telegram seems to indicate that the Burmese delegate would accept behind-the-scenes negotiations on the issue as an alternative, and would not press for outright condemnation of Nationalist China as an aggressor. If, as you suggest, the resolution will be amended from its present form, we think that you would be in a better position to reach a decision regarding how Canada should vote.

4. However, if the resolution comes before the Assembly in its present form, we cannot, in all conscience, vote against the resolution since the activities of the Chinese Nationalists in Burma seem to constitute a clear-cut case of foreign intervention in the internal affairs of a sovereign state. On the other hand, it would be difficult for us to support the resolution, as that would prove embarrassing to the United States. Therefore, we would recommend abstention by Canada if a resolution, condemning Nationalist China as an aggressor, is placed before the Assembly for a vote.

5. We also agree that this item should not be placed on the Agenda of the Security Council as long as Mr. Vishinsky is in the chair of that body. Further, we doubt that any useful discussion could take place in that Council where Nationalist China can exercise its veto power. Our opinion would be that Sir Gladwyn Jebb's proposal for the appointment by the Assembly of a mediator would be the most sensible solution of the problem. This would circumvent any Burmese attempt to condemn China outright as an aggressor. Ends.

245. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 191 New York, April 20, 1953

CONFIDENTIAL

FIRST COMMITTEE — CHINESE NATIONALIST TROOPS IN BURMA

Reference: Our teletype No. 188 of April 17.†
Repeat Washington No. 129.

1. There have been further talks over the weekend between members of the Burmese, United States and United Kingdom delegations but as of this morning, April 20, the Burmese delegation has still had no instructions as to what modifications, if any, they are prepared to accept in their resolution.

2. The United States and United Kingdom delegations have now agreed that their first objective should be to try to persuade the Burmese to modify the second paragraph of their resolution.[8] The Pakistan and (as a second string) the Peruvian delegations have been approached to sponsor an amendment to substitute for Paragraph 2 of the Burmese resolution (Document A/2375) paragraphs along the following lines:

[8] Le paragraphe 2 recommandait au Conseil de sécurité de condamner le gouvernement de Formose pour les activités des forces nationalistes chinoises et de prendre toutes les mesures utiles pour mettre fin à ces "actes d'agression".
Paragraph 2 called upon the Security Council to condemn the government of Formosa for the actions of the Chinese Nationalist troops and to bring these "acts of aggression" to an end.

(a) notes the efforts being made to resolve the situation that has arisen;

(b) requests the parties concerned to carry on direct negotiations and avail themselves of the assistance of third parties;

(c) requests the Government of China to use its influence with General Li Mi's forces in Burma to secure their withdrawal from Burmese territory;

(d) requests the Chairman of the First Committee (or the President of the General Assembly) to use his good offices in any way he thinks might be helpful.

3. The United Kingdom and United States delegations would be prepared to accept the Burmese resolution with these changes and with a change of form in the first paragraph so that the "troops of the Kuo Min-Tang" would read "the troops of the Government of the Republic of China".

4. Presumably we may vote for whatever compromise resolution is worked out.

246. DEA/6676-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 85 Ottawa, April 21, 1953

CONFIDENTIAL. IMMEDIATE.

FIRST COMMITTEE — CHINESE NATIONALIST TROOPS IN BURMA

Reference: Your Teletypes Nos. 191 of April 20 and 194 of April 21.†
Repeat Washington No. EX-691.

Following from the Acting Under-Secretary for Johnson, Begins: We agree that an amendment, such as the draft one that has now been tabled by Pakistan, would be an acceptable modification of the second paragraph of the Burmese resolution. We note, however, that Sir Gladwyn Jebb's original proposal for a mediator for the dispute is not mentioned in the Pakistan amendment, but perhaps this suggestion is implicit in the wording contained in paragraph 2(b) and (d) of your teletype No. 191. If, as you suggest, the United Kingdom and the United States Delegations are prepared to accept the Burmese resolution with these changes, you are authorized to vote for whatever compromise resolution is worked out.

2. We approve the general sense of your statement supporting the Pakistan amendment, which seems to be in line with our general instructions on this Burmese item as contained in our teletypes No. 46 of March 30th and No. 52 of April 2nd. We agree that a formal condemnation of the Nationalist Government of China as an aggressor would not materially contribute to a solution of the problem and would only antagonize Nationalist China, which seems to be doing its best to curb aid to General Li Mi, over whose activities they seem to have a somewhat nebulous control. In conclusion, therefore, we would approve a statement on the Pakistan amendment along the lines you suggest and would also authorize you to vote for

the Burmese item as modified by an amendment such as that submitted by Pakistan. Ends.

247. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 198 New York, April 21, 1953

CONFIDENTIAL

CHINESE NATIONALIST TROOPS IN BURMA

Reference: Our immediately preceding teletype.†
Repeat Washington No. 133.

1. Contrary to our expectations, the Pakistan delegation has decided not to table amendments to the Burmese resolution. At a meeting of the Arab-Asian Group yesterday afternoon, April 20, Bokhari was persuaded by his colleagues that no Arab or Asian delegation should put forward amendments or alternatives to the Burmese resolution. The group, however, agreed that if a Latin American or other delegation were willing to take the initiative, Menon and Entezam might negotiate with them on behalf of the Arab-Asians.

2. The Peruvians had been asked yesterday whether they would agree to put forward an amendment or an alternative but declined because of their friendship with the Chinese delegation. Belaunde, however, had on his own initiative given the Argentine delegation the text of a United States draft and it was with some consternation this morning that the United States delegation found that, without further consultation, the Argentine delegation had submitted the draft. The text is given in our telegram under reference.

3. In the meantime the Mexican delegation had been negotiating with Entezam and Menon on more or less the same draft which, with a number of changes was substantially acceptable to the Arab-Asians, and to the United States. The Mexican delegation has been waiting, however, until it had some assurances that their resolution would not be opposed by either the Burmese or the Chinese. Their resolution may be tabled this afternoon. It is somewhat stronger than the Argentine draft. It deplores the presence of foreign troops on Burmese territory and condemns their hostile acts against the Government of Burma but it does not condemn the Chinese Government.

4. Most of the statements this morning were obviously tailored to support such a resolution. In a brilliant discussion of the "overtones" of the debate, Bokhari did his best to please everyone without pulling his punches. He declared that the responsibility of the Chinese Government was clearly to do their utmost to secure the withdrawal of their forces from Burma and he thought that "a strong pronouncement

would assist all governments trying to see that justice was done to Burma". The Argentine resolution, he said, fell short of that purpose, and a condemnation, at least of the irregular troops operating in Burma, was called for. Lodge described the efforts of the United States Government to act as an intermediary between the Burmese and Chinese Governments which had no direct diplomatic relations. He declared that Burma "was entirely justified" in its desire to get rid of foreign troops and he proposed the following sequence of events:

(a) hostilities in Burma should stop;

(b) irregular troops should lay down their arms; and

(c) the hard core of Chinese irregulars should be evacuated.

The United States did not believe, he said, that a condemnation of the Chinese Government would promote agreement, nor did it think that it was good practice to duplicate in the Security Council an Assembly debate.

5. Sir Percy Spender (Australia) thought that the solution was evacuation rather than internment and opposed any condemnation. He favoured the imposition of a complete blockade of Li Mi's forces so as to stop supplies of any kind reaching them through the cooperation of all members of the United Nations.

6. In a mild speech Hoppenot, the French representative, showed genuine concern for resolving an issue which must certainly complicate the defence of Indo-China in present circumstances.

7. The only Arab statement was made by Zeineddine of Syria who supported the Burmese resolution and negotiations looking to the internment or evacuation of Li Mi's forces.

8. During the meeting we heard from the United States delegation that a press report from Tokyo had stated that the Chinese Foreign Minister in Formosa, George Yeh, had declared his government's readiness to evacuate the Chinese serving with Li Mi. The Chinese delegation is, however, awaiting confirmation of this report. Coupled with the willingness of the Thailand Government to cooperate in evacuation, as announced yesterday, we seem to be getting closer to a solution.

9. In the light of the changed situation I have altered some passages of the statement which I sent you this morning, and which I shall probably be giving this afternoon.

248. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 199 New York, April 21, 1953

CHINESE NATIONALIST TROOPS IN BURMA

Reference: Our telegram No. 198 of April 21.

Following is text of Mexican resolution submitted this afternoon, April 21. Text begins:

The General Assembly,

1. *Having examined* the complaint by the delegation of the Union of Burma regarding the presence, hostile activities and depredations of foreign forces in the territory of the Union of Burma;

2. *Considering* that these facts constitute a violation of the territory and sovereignty of the Union of Burma;

3. *Affirming* that any assistance given to these forces which enables them to continue their hostile acts against a member State is contrary to the Charter of the United Nations;

4. *Noting* that the Government of the Union of Burma has reported that these forces have refused to submit to disarmament or internment in accordance with international law and practice;

5. *Deplores* the presence of these forces in Burma and condemns their hostile acts against that country;

6. *Calls upon* these foreign forces to submit to disarmament and either to agree to internment or to leave the Union of Burma forthwith;

7. *Requests* all States in their relations with the Union of Burma to respect the territorial integrity and political independence of that State in accordance with the principles of the Charter;

8. *Urges* all States:

(a) To afford the Government of the Union of Burma on its request all the assistance in their power to facilitate by peaceful means the evacuation of these forces from Burma; and

(b) To refrain from furnishing any assistance to these forces which may enable them to continue their hostile acts against Burma; and

9. *Calls upon* the Government of the Union of Burma to report on the situation to the General Assembly at its eighth regular session. Text ends.

249. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 200 New York, April 21, 1953

CHINESE NATIONALIST TROOPS IN BURMA

Reference: Our telegram No. 198 of April 21.

Following is text of statement as delivered this afternoon in the First Committee. Text begins:

Mr. Chairman,

I should like to speak briefly on the item before this committee, namely the complaint by the Union of Burma regarding aggression against her by the Government of the Republic of China. To begin with I should like to add my tribute to the tributes already paid to the Honourable U Myint Thein[9] for presenting his government's case with such restraint and eloquence as to win the admiration and respect of us all.

The statement of the distinguished representative of Burma was really divided into two parts. In the first part he gave evidence to establish that about 12,000 Chinese troops were on Burmese territory, that they were living off the country and that they refused to withdraw or be disarmed and interned. In the second part of his statement he endeavoured to show that these Chinese troops were under the direct control of the Nationalist Government of China established in Formosa.

Dr. Tsiang, the distinguished representative of China, in his two interventions, has denied that his government has effective control over General Li Mi's troops, but he made no real effort to challenge the main allegations made in the first part of the statement of the distinguished representative of Burma.

Hence, there appears to be little doubt that the forces under General Li Mi's command, now numbering approximately 12,000, have, contrary to International Law, maintained themselves in Burma for the past three years against the wishes of the Burmese Government and have refused to withdraw or to be disarmed and interned.

This, we agree, places the Burmese Government in an intolerable position. I should like them to know that my government has every sympathy for their predicament and the greatest respect for the restraint they have shown in bringing their case to the United Nations only after years of negotiation outside have failed to produce a solution.

---

[9] Le juge Thado Maha Thray Sithu Myint Thein, chef de la délégation de la Birmanie à la septième session (deuxième partie) après le 15 avril, et à la huitième session de l'Assemblée générale des Nations Unies.
Justice Thado Maha Thray Sithu Myint Thein, Chairman of Delegation of Burma to Seventh Session (Second Part) after April 15, and Eighth Session of General Assembly of United Nations.

It is, however, another matter for the Assembly to declare that the Government of the Republic of China is wholly responsible for these deplorable activities of General Li Mi's forces.

While there seems to be a good chance of reaching agreement with the Government of the Republic of China to use its influence to secure the withdrawal of the Chinese troops now in Burma, we would hope that the Burmese Government would not press for a formal condemnation of the Nationalist Government of China as an aggressor.

It seems to my delegation, Mr. Chairman, that a more appropriate resolution would be a resolution which, while recognizing the facts which have been established and the principles of International Law, would place the emphasis upon the hope which we all share of reaching a practical solution by negotiation between the parties directly concerned with such assistance as third parties may be in a position to give. Such a resolution, it seems to my delegation, is more likely to provide a solution to the present difficulty than an outright condemnation of the Government of the Republic of China concerning whose direct control over General Li Mi's forces several speakers have expressed doubt and uncertainty. On the other hand, on the basis of the evidence adduced, we would vote for a resolution deploring the activities on Burmese soil of the forces under General Li Mi's command.

For these reasons I express the hope that the Burmese representative will respond to our appeal to accept some modification of his original proposal. In doing so he would I believe, be contributing more to the speedy and peaceful withdrawal of Chinese forces from Burma than if he were to press for a vote on the second paragraph of his resolution at this time.

In the light of these considerations, my delegation will examine the Burmese, Argentine and Mexican resolutions and any other resolution which may be submitted to this committee.

Thank you, Mr. Chairman. Text ends.

250. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 201 New York, April 21, 1953

CONFIDENTIAL. IMMEDIATE.

CHINESE NATIONALIST TROOPS IN BURMA

Reference: Our teletype No. 198 of April 21.
Repeat Washington No. 134.

1. We shall probably come to a vote on the various resolutions now before the committee tomorrow morning April 22.

2. As matters stand at present, we may have to vote first on the Burmese resolution. The French delegation is seriously considering abstaining, but the United Kingdom and United States delegations will probably vote against the Burmese resolution on the grounds that they prefer the Mexican resolution.

3. It would, however, be much less embarrassing to have the Mexican resolution voted first and Krishna Menon has suggested to Jebb that if a Scandinavian delegation were to propose priority for the Mexican resolution he thought most Arab-Asians would be prepared to abstain so that priority for the resolution might go through. Palar (Indonesia), however, has already told the committee that he wished to vote first on the Burmese resolution so that the attitude of the Arab and Asian delegations is doubtful.

4. Another complicating factor is that the United States delegation are seeking to have the Mexican resolution amended so as to take note of the efforts of third parties to facilitate agreement and ask them to continue their good offices. If this is introduced it will probably reduce support for giving the Mexican resolution priority.

5. As the situation is still fluid, I should like to have some latitude in deciding how we should vote. My inclination at present, however, would be to support the Mexican resolution and, if necessary, vote against the Burmese resolution rather than abstaining in accordance with your telegram No. 52 of April 2. A few western abstentions might well allow the Burmese resolution to carry and, although we have considerable sympathy for the Burmese resolution, I take it that we would now prefer the Mexican resolution.

6. I discussed the situation briefly by telephone with Mr. Leger who promised to let me have instructions before 10.30 tomorrow morning. I understood him to say that if by any chance instructions were not received, we could proceed as outlined above, namely

(a) We would vote in favour of consideration of the Mexican resolution before the Burmese resolution;

(b) We would vote in favour of the Mexican resolution whether it was considered first or second;

(c) We would probably vote against the Burmese resolution whether it was considered first or second not because we disagree with everything in the Burmese resolution but on the ground that as we prefer the Mexican resolution and as it is likely to receive a large vote, we would think it advisable to defeat an alternative resolution.

251. DEA/6676-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 86 Ottawa, April 22, 1953

CONFIDENTIAL. IMMEDIATE.

FIRST COMMITTEE — CHINESE NATIONALIST TROOPS IN BURMA

Reference: Your teletypes Nos. 199 and 201 of April 21.
Repeat Washington No. EX-694.

Following from the Acting Under-Secretary for Johnson, confirming phone conversation of this morning between Leger and yourself, Begins: We generally agree with the decision you plan to take on the Mexican and Burmese resolutions as stated in your teletype No. 201 of April 21. However, we think you should continue to abstain on the Burmese resolution, even if it is voted upon first and even though we prefer the Mexican resolution. We consider that it would be inconsistent with our position to vote against the Burmese resolution for the reasons we stated in our teletype No. 52 of April 2, namely that the activities of these "foreign forces" in Burma seem to constitute a clear-cut case of foreign intervention in the internal affairs of a sovereign state. Moreover, such a vote might be particularly unfortunate, at the present time, since it might provide the Communists with additional propaganda to the effect that the Western powers are unwilling to consider the legitimate grievances of the smaller Asian nations.

2. Therefore, in summary, we would suggest the following procedure, as stated by Mr. Leger to you:

(a) You should vote in favour of consideration of the Mexican resolution before the Burmese resolution;

(b) If the Burmese resolution is considered first, you should abstain from voting on that resolution;

(c) If the Mexican resolution is considered first, you should vote in favour of it;

(d) If the Mexican resolution is considered second and the Burmese resolution has not been approved previously, you should support the Mexican resolution;

(e) If the Mexican resolution is considered first and approved, and the Burmese resolution is subsequently brought to a vote, you should vote against the Burmese resolution, since adoption of such a second resolution would then merely lead to confusion. Ends.

252. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 203 New York, April 22, 1953

RESTRICTED

CHINESE NATIONALIST TROOPS IN BURMA

Reference: Our telegram No. 202 of April 21.†
Repeat Washington No. 135.

1. In another burst of unanimity, the First Committee this afternoon, April 22, adopted the Mexican resolution with minor amendments submitted to-day by Lebanon, Argentina and Chile, by a vote of 58 in favour, Burma and China abstaining. The Burmese resolution was not voted on as an Iranian proposal to give priority to the Mexican resolution was adopted by 42 in favour (including Canada) 11 against (including Soviet Bloc, Burma, Indonesia, Afghanistan) and 7 abstentions, (including Thailand, Syria and Lebanon). The text of the resolution as adopted is contained in our immediately following message.

2. The debate and the resolution which emerged were remarkably moderate and constructive. All in all, the assembly's consideration of this item has come closer than any debate I have seen to what an assembly discussion should be but hardly ever is. When put on the spot by an objective presentation of the facts by the Burmese delegation, no one tried to deny them or exploit them for propaganda purposes as might easily have occurred in other circumstances. Instead, Burma achieved the moral support of the entire assembly. The aggression of General Li Mi's forces was condemned but a resolution explicitly condemning the Nationalist Chinese Government as an aggressor was avoided and important steps towards agreement were reached behind the scenes through the good offices of the United States.

3. As a result of the assembly's discussion and the decision to invite the Burmese Government to report on the situation to the next session of the General Assembly there is now, in the opinion of both the United States and United Kingdom delegations, a fairly good chance of securing the withdrawal of the hard core of Chinese (say about 2,000) under General Li Mi's command, disarming them at the Thai border and evacuating them through Thailand to Formosa. This may not happen immediately, but those who have been most directly concerned in the private negotiations, such as Mr. Keen [Key] who was until recently United States Ambassador in Burma, think that such a result will be achieved before the next session of the assembly. If so, the Burmese Government should be able to deal with the remaining insurgents and bandits, no longer supported from Formosa.

4. There are others, however, who recall that the Chinese Nationalists have made promises of withdrawal before which have not been fulfilled. The main reason for

hope now is that through the assembly discussion the light of public opinion has been focussed much more sharply than hitherto, without exacerbating unduly the sensibilities of either party.

253. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 204 New York, April 22, 1953

GENERAL ASSEMBLY — CHINESE NATIONALIST TROOPS IN BURMA

Reference: Our teletype No. 203 of April 22, 1953.
Repeat Washington No. 136.

Following is text of revised Mexican resolution adopted by the First Committee this afternoon, April 22, by 58 in favour, Burma and China abstaining. Text begins:

The General Assembly,

Having examined the complaint by the delegation of the Union of Burma regarding the presence, hostile activities and depredations of foreign forces in the territory of the Union of Burma;

Considering that these facts constitute a violation of the territory and sovereignty of the Union of Burma;

Affirming that any assistance given to these forces which enables them to remain in the territory of the Union of Burma or to continue their hostile acts against a member state is contrary to the Charter of the United Nations;

Considering that the refusal of these forces to submit to disarmament or internment is contrary to international law and usage;

1. *Deplores* this situation and condemns the presence of these forces in Burma and their hostile acts against that country.

2. *Declares* that these foreign forces must be disarmed and either agree to internment or leave the Union of Burma forthwith.

3. *Requests* all states to respect the territorial integrity and political independence of the Union of Burma in accordance with the principles of the Charter;

4. *Urges* all states:

(a) To afford the Government of the Union of Burma on its request all the assistance in their power to facilitate by peaceful means the evacuation of these forces from Burma, and (b) to refrain from furnishing any assistance to these forces which may enable them to remain in the territory of the Union of Burma or to continue their hostile acts against that country.

5. *Invites* the Government of the Union of Burma to report on the situation to the General Assembly at its eighth regular session.

254. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 207 New York, April 23, 1953

RESTRICTED

GENERAL ASSEMBLY — CHINESE NATIONALIST TROOPS IN BURMA

Reference: Our telegram No. 203 of April 22.
Repeat Washington No. 139.

1. The resolution which the First Committee adopted yesterday was unanimously approved at plenary this morning, April 23, but the Burmese delegation changed their vote from an abstention to support for the resolution. Although they explained that they would have preferred their own resolution, Myint Thein said his government was greatly heartened "by the solid moral backing of the Assembly". There were 59 votes in favour, China alone abstaining.

2. The Lebanese and Syrian delegates pointed out that the resolution as adopted, incorporating the Lebanese amendment narrowly approved yesterday, not only condemned acts of hostility of foreign troops, but condemned their mere presence on foreign soil. They expressed the hope that this would lead to the withdrawal of all troops on foreign soil.

3. The General Assembly was then recessed by the Acting President Sir Gladwyn Jebb, who declared in conclusion that the "objectivity and good temper" of the Assembly had made the present phase of our work "happy and satisfactory". He expressed the hope that we might soon meet again to approve an armistice in Korea.

SECTION E

NOMINATION DU SECRÉTAIRE GÉNÉRAL
APPOINTMENT OF SECRETARY-GENERAL

255. DEA/5475-1-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 138 New York, April 1, 1953

RESTRICTED. IMMEDIATE.

Please transmit following message to Canadian Minister, Stockholm, Begins: Would you please pass the following message to Dag Hammarskjöld from the Minister, Begins:

Delighted at Security Council recommendation and your acceptance. United Nations can congratulate itself. You will know that you can count on full support and co-operation of Canadian delegation and myself personally. All good wishes. Ends.

Note: Text repeated in our No. 23 of April 1st to Stockholm.

256. DEA/5475-1-40

Le ministre en Suède au secrétaire d'État aux Affaires extérieures

Minister in Sweden to Secretary of State for External Affairs

TELEGRAM 22 Stockholm, April 7, 1953

RESTRICTED. IMPORTANT.

Reference: Your telegram No. 23 of April 1.
Repeat Candel, April 7, No. 58.

The following message dated April 2 has been received from Mr. Hammarskjöld in reply to your message under reference:

"I wish to thank you most sincerely for your very kind message of congratulations and tell you how much I appreciate your assurance of support and co-operation from the Canadian Government and the Delegation. Especially, I am happy to be able to count on your great experience and your personal advice. With best personal wishes."

257. L.B.P./Vol. 36

Extrait d'une note du conseiller de la délégation
à l'Assemblée générale des Nations Unies
pour le secrétaire d'État aux Affaires extérieures[10]

Extract from Memorandum from Adviser,
Delegation to General Assembly of the United Nations
to Secretary of State for External Affairs[10]

SECRET [New York], April 8, 1953

CONVERSATION WITH MR. KASANIEV

1. At his suggestion, I had lunch to-day with Mr. Kasaniev of the Trusteeship Division of the Secretariat. As far as I can determine, he is the ranking Soviet member of the Secretariat since the departure of Mr. Zinchenko, who Mr. Kasaniev tells me is now head of the Press Department of the Foreign Ministry in Moscow.

. . .

Secretary-General

7. Kasaniev volunteered without being asked that the reason his government had vetoed your nomination as Secretary-General was that despite their regard for your abilities they thought that your intimate association with other international organizations such as NATO made it unlikely that you would be able to see issues in as neutral a light as someone who had not been so involved. Then he laughed and added "At least Mr. Pearson would have been a big improvement on Mr. Lie!"

J. G[EORGE]

258. DEA/5475-1-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations
to Secretary of State for External Affairs

DESPATCH 400 New York, April 29, 1953

CONFIDENTIAL

FINAL REPORT — APPOINTMENT OF SECRETARY-GENERAL

1. Attached for your consideration is the Final Report in quadruplicate on Item 74 dealing with the appointment of the Secretary-General of the United Nations.

2. Since the meetings of the Security Council on this item were closed and since Canada is not a member of the Security Council, the Delegation had to rely for the

---

[10] Note marginale:/Marginal note:
Copy should go to Ottawa. L.B. P[earson]

preparation of this report on press reports and information supplied to us by a number of members of the Council. This latter was passed to us in strict confidence and we therefore hope that the confidential nature of the report will be guarded.

3. As the Minister had a personal interest in this item, I suggest that before the report is circulated it should be shown to him.

DAVID M. JOHNSON

[PIÈCE JOINTE/ENCLOSURE]

Extrait du compte rendu final du point 74

Extract from Final Report on Item 74

CONFIDENTIAL

APPOINTMENT OF THE SECRETARY-GENERAL OF THE UNITED NATIONS

This Item 74 was placed on the agenda of the Seventh Session of the General Assembly of the United Nations when Mr. Lie, the first Secretary-General of the United Nations, tendered his resignation on November 10, 1952. This decision of Mr. Lie to resign was first made known on November 10 in a letter which Mr. Lie sent to Mr. Pearson, as President of the General Assembly. In the afternoon of the same day, Mr. Lie confirmed his decision in a statement to a plenary meeting of the Assembly, and explained that he was resigning mainly in order that the position of the Secretary-General may not "hinder in the slightest degree any hope of reaching a new understanding that would prevent world disaster".

2. Since the Charter provides for the appointment of the Secretary-General by the Assembly, *on the recommendation of the Security Council*, this matter was first considered in the Security Council. Since the deliberations of the Council on this item took place in closed sessions, and since Canada is not at present a member of the Council, the following notes have been based on official press releases, and on unofficial data obtained, sometimes in confidence, from a number of members of the Council.

3. Before the Security Council met to consider the appointment of a new Secretary-General, there were rumours that the Soviet Union would not veto Mr. Pearson's appointment. So far as it was known here, no Soviet official and no Soviet member of the Secretariat dropped any hint to this effect to any member of the Canadian Delegation. The Canadian Delegation did hear at second hand of a number of these hints. For example, members of the Secretariat told the Delegation of hints by Soviet members of the Secretariat. The United Kingdom Delegation reported that Zarubin had told Makins in Washington that Mr. Pearson would "not be unacceptable" to the Soviet Union as Secretary-General. On investigation in Washington, however, it turned out that far more had been read into the Zarubin-Makins conversation than was warranted. Rafael of the Israeli Delegation reported that Malik last autumn had indicated that Mr. Pearson would not be unacceptable to the Soviets. Rafael also reported that he had received similar information from another source which he would not name.

4. Whether Soviet spokesmen were deliberately or accidentally creating the impression that they would not veto Mr. Pearson is a moot point. There is, however, no doubt that a number of highly placed persons in the Secretariat and a number of delegations, including the United Kingdom and French Delegations, were confident at an early stage in the negotiations that the Soviets would not veto Mr. Pearson. This may have been wishful thinking. On the other hand it may be argued that the Soviet intentions were never put to the test. After all, most hints were to the effect that as a last resort the Soviets would accept Mr. Pearson rather than have Mr. Lie continue. The Soviets, however, were never faced with this choice because by the time the votes were taken it was clear that a number of delegations, particularly the French, were about as anxious as the USSR to see Mr. Lie go.

5. The attitudes of the United Kingdom and French Delegations were clear from the beginning. They worked hard for the appointment of Mr. Pearson. They expected a Soviet veto on the first round but hoped that Mr. Pearson would receive such an impressive first vote as to encourage other candidates to fade out and confront the USSR with a choice between Mr. Lie and Mr. Pearson. The United Kingdom wished to have Bokhari of Pakistan nominate him. Bokhari personally was anxious to do this. His Government agreed, but only if Mr. Pearson was likely to be appointed. Hence it was necessary for Bokhari to ascertain the Soviet attitude. Bokhari saw Zorin on at least two occasions, but received no assurance nor any hint that the Soviets would not veto Mr. Pearson. In the absence of any indication of Soviet intentions, Bokhari was unable to nominate Mr. Pearson. Borberg of Denmark then undertook to do this.

6. The attitude of the United States Delegation was not so clear. It was understandable that the outgoing Administration would not wish to declare itself. Even after the new Administration assumed power there was a considerable delay before their spokesmen would discuss this question. Lodge shortly after he had assumed charge of the United States Delegation said that the United States would not actively canvass for any candidate. He did, however, assure the Canadian Delegation that if Mr. Pearson was voted upon, the United States would vote in favour of him. When that conversation took place (February 18), Lodge gave no hint that the United States would later nominate Romulo. However, the night right before the Security Council's first meeting, Lodge informed Mr. Pearson of United States intentions and of the reasons behind them.[11]

7. The first meeting of the Security Council (612th meeting) to consider this matter was held on *March 11*, at the request of France and the United Kingdom. At this meeting, the following nominations were made:

General Carlos P. Romulo, Permanent Representative of the Philippines to the United Nations — by the United States Representative.

Mr. Stanislaw Skrzeszewski, Minister for Foreign Affairs of Poland — by the USSR Representative.

---

[11] La note marginale qui suit, concerne la dernière phrase du 6ᵉ paragraphe:
The following marginal note refers to the final sentence of paragraph 6:
N.B. This change (or addition) was suggested by the Minister. P.A.M [acDougall]

Mr. Lester B. Pearson, Secretary of State for External Affairs of Canada — by the Representative of Denmark.

The surprise at this meeting was the nomination of Romulo by the United States. This had not been generally foreseen. After the nominations were made, Malik of Lebanon announced he would prefer not to participate in the vote. Dr. Tsiang of China then suggested adjournment in order that Malik might receive instructions. The Lebanese representative himself apparently opposed this. Hence it was assumed that the reason why Malik announced that he would not participate in the vote was not because he wanted instructions, but for some other reason. The general impression was that Malik did not wish to take sides or even to participate in order that he might come forward later as a compromise candidate. The meeting adjourned without a vote being taken.

8. Following the first meeting of the Security Council Jebb and Hoppenot were disturbed because of the action of the United States in nominating Romulo. They were concerned to know whether the United States was going to make a determined effort to have Romulo elected. They feared that if the United States were to do so and exercise pressure on a number of States Romulo would get the affirmative votes of a number of delegations who in fact preferred Mr. Pearson. If this happened the plan of the United Kingdom and France for getting Mr. Pearson away out in front on the first ballot would have gone astray. Hoppenot and Jebb saw Lodge about this on the afternoon of March 12. The Canadian Delegation was informed that the interview was satisfactory. Lodge was reported to have said that the United States was bound because of close political ties to nominate Romulo. The United States would not, however, put pressure on its friends to do likewise. Moreover Lodge said that he would vote for Mr. Pearson when his nomination was put to the vote and this, of course, he did. In fact throughout the negotiations, it can be said that Lodge acted fairly and frankly with friendly delegations.

9. When the Security Council met again on *March 13* (613th meeting), the meeting began with a debate on the question of whether or not the voting should be secret. The United Kingdom and French delegations strongly supported a secret vote. They were anxious to get as big a vote as possible for Mr. Pearson. They felt that with a secret vote, more delegates would be willing to abstain on Romulo's nomination than if there was a show of hands. The proposal for a secret vote was carried. Once this decision was taken, there was then a debate on the question of the amount of information which should be given by the President of the Security Council. Bokhari thought that he should announce the number of affirmative votes, the number of negative votes including specifically the number of negative votes of the five permanent members, (i.e., the number of vetoes) and the number of abstentions. Jebb argued that it was only necessary to say if a veto had been placed when the candidate concerned received seven or more affirmative votes. In other words, it was only necessary to announce a veto when the veto prevented a recommendation. After some discussion Jebb's views prevailed.

10. Having disposed of these procedural points, the Security Council proceeded to vote on the nominations made at the previous meeting, with the following results:

(i) General Romulo received *5 affirmative votes* (United States, China, Colombia, Greece, Lebanon), *2 negative votes* (USSR and France) and *4 abstentions* (United Kingdom, Chile, Denmark and Pakistan).

(ii) Mr. Skrzeszewski received *1 affirmative vote* (USSR), *3 negative votes* (United States, United Kingdom, France), and *7 abstentions* (China, Colombia, Greece, Lebanon, Chile, Denmark and Pakistan).

(iii) Mr. L.B. Pearson received *9 affirmative votes, 1 negative vote of a permanent member* (USSR) and *1 abstention* (Lebanon).

The numbers of affirmative votes, negative votes and abstentions given above are contained in the Security Council public announcement and are obviously accurate. The manner in which any particular delegation voted is, however, speculation based on newspaper reports. The votes were secret. Bokhari and Protitch[12]are the only two persons who can be absolutely sure of the way in which the various delegations voted because they alone saw the ballots. Jebb, from his knowledge of his colleagues' intentions, would not confirm that the various delegations voted as given above. It was thus quite possible that a delegation while voting one way gave the impression of voting another. The Canadian Delegation did not canvass any member of the Security Council to see how it voted.

11. Since the recommendation by the Security Council requires the affirmative votes of 7 of the 11 members of the Council, and the absence of a negative vote by any one of the five permanent members, none of the above candidates received a recommendation from the Security Council. In these circumstances, the permanent members of the Council were asked to hold consultations on the subject and to report to the Council by Thursday, March 19.

12. Even after the Soviet Union had vetoed Mr. Pearson's appointment, Jebb was optimistic that the Soviet Union on a later occasion might change its vote at least to an abstention. His optimism was based on a talk he had had with Zorin during the course of the Security Council meeting of March 13. Zorin had then attempted to postpone the taking of a vote. His anxiety seemed to be based on the assumption that if there had been a vote and if the candidate concerned had failed to secure the recommendation of the Security Council, it would not be possible to vote on that candidate again. When Jebb assured him that candidates could be voted on as often as necessary, Zorin appeared to be relieved. Jebb interpreted this conversation with Zorin to mean that the USSR was then not ready to place a permanent veto on Mr. Pearson.

13. The permanent members of the Security Council held two informal meetings *between March 13 and March 19.* At these informal meetings, views were exchanged on the names of nine persons, in addition to those already voted on in the Council. No agreement, however, was reached on a proposal which the permanent

[12] Dragoslav Protitch, directeur principal, Département des affaires politiques et des affaires du Conseil de sécurité, Secrétariat des Nations Unies; il était également chargé de la Direction de l'administration et des affaires générales.
Dragoslav Protitch, Principal Director, Department of Political and Security Council Affairs, United Nations Secretariat; also in charge of Administration and General Division.

members might make to the Security Council. The nine persons mentioned at these informal meetings were the following:

Mrs. Vijaya Lakshmi Pandit, Chairman of the Indian Delegation to the Seventh Session of the Assembly.

Sir Benegal Narsig Rau, Judge of the International Court of Justice; formerly Ind[ian] Permanent Representative to the United Nations.

Prince Wan Waithayakon, Permanent Representative of Thailand to the United Nations.

Dr. Luis Padilla Nervo, Foreign Minister of Mexico, President of the 1951 session.

Dr. Eduardo Zuleta Angel of Colombia, former representative to the General Assembly.

Ahmed S. Bokhari, representative of Pakistan on the Security Council.

Dr. Charles A. Malik, Lebanese representative on the Security Council.

Erik Boheman, Swedish Ambassador to Washington and a former delegate to the General Assembly.

In effect what happened at this meeting was that one permanent member or another put forward the names of nearly all persons who had ever been mentioned as possible candidates.

14. The only concrete development at the second informal meeting, *held on March 18*, was a statement by Zorin, the USSR representative, that he would support Mrs. Pandit or Sir Benegal Rau to succeed Mr. Lie. It was generally thought at that time that the Soviet decision to back either of these two distinguished Indians was an attempt to embarrass the Western Powers, and to strengthen the position of the Soviet Union in Asian countries.

15. When the Security Council met on *March 19* (614th meeting) the USSR representative proposed formally that it recommend the appointment of Mrs. Pandit. The Council agreed to vote immediately on this proposal, which received 2 affirmative votes (USSR and Lebanon), 1 negative vote (China) and 8 abstentions. Again the vote was secret. Though the numbers given above are correct, the manner in which members voted is speculation. The Canadian Delegation was told that the USSR representative, after nominating Mrs. Pandit, had opposed a proposal by Greece that the Council proceed to a vote on Mrs. Pandit's nomination. It was assumed that Zorin's aim in doing this was to keep the candidacy of Mrs. Pandit alive as long as possible, for propaganda purposes in Asia. When Mrs. Pandit's nomination was rejected, the five permanent members were again asked to continue their informal consultations. Mrs. Pandit's candidature was an unhappy episode in the negotiations. The result of the voting was obviously humiliating to Mrs. Pandit and the necessity of abstaining was embarrassing to the United Kingdom and other friends of India. Incidentally, the United Kingdom abstention astonished Zorin. In private conversation afterwards he said he could not understand how the United Kingdom representative could fail to vote for a representative from a Commonwealth country.

16. The Security Council held another inconclusive meeting on *March 24* (615th). No additional candidates besides the nine already listed in paragraph 13 above, were proposed nor was any vote taken on the nominations already made. It was understood that Zorin, the USSR representative, asked at that meeting for more time to consider the question. By that date, the United States, United Kingdom and French Delegations had grown impatient over the deadlock and were considering forcing a showdown on the question. They were reported to be especially anxious to settle the problem before the end of March, since the Soviet Union would have the Presidency of the Security Council in April.

17. The Security Council held a further formal meeting on *March 27* (616th). Again, there were no nominations made and no votes cast. The Canadian Delegation was informed by the Danish and French representatives that the meeting consisted of a general discussion. The non-permanent members of the Security Council took the position that there was no point in the Security Council itself meeting until the five permanent members had reached agreement. The meeting of the Council thus adjourned on the understanding that the five permanent members would continue to meet and discuss the matter among themselves.

18. On March 30, the permanent members of the Security Council held another informal meeting at which Hoppenot mentioned four names, Stikker, Entezam, Nervo and Hammarskjöld, two of which (Stikker and Hammarskjöld) had not been mentioned before. The mention of Mr. Hammarskjöld's name at that time seemed to have been a complete surprise to most if not all of the other permanent members on the Security Council. The Canadian Delegation is not, however, sure whether Hoppenot suggested Mr. Hammarskjöld entirely on French initiative or whether there had been some consultation with or prompting by the United Kingdom Delegation. When the Soviet representative indicated an interest in Mr. Hammarskjöld, the permanent members decided to adjourn for twenty-four hours in order that they might receive instructions from their governments.

19. Jebb's instructions from London were to vote for Mr. Hammarskjöld once it seemed impossible to secure Mr. Pearson's appointment. Makins in Washington was reported to have spoken highly of Mr. Hammarskjöld, and it appeared that Lodge received equally satisfactory reports on him from the State Department.

20. At the following informal meeting of the permanent members on *March 31*, the USSR representative, to everybody's surprise, indicated that not only would he refrain from vetoing Mr. Hammarskjöld, but that he would vote for him. Jebb, we were told, then decided to rush ahead with Mr. Hammarskjöld's appointment. The fear of the United Kingdom Delegation then was that Entezam might be appointed. Entezam certainly was the candidate out in front during the week-end preceding Mr. Hammarskjöld's appointment. France would have voted for Entezam. The United Kingdom had instructions not to veto Entezam but to abstain. It was thus possible that if the USSR came out in favour of Entezam he might have obtained seven affirmative votes and no vetoes. The five permanent members having agreed on Mr. Hammarskjöld, Jebb succeeded in having a formal meeting of the Security Council in the afternoon of the same day, before any permanent member had time for second thoughts.

21. At this formal meeting of the Security Council, on *March 31,* the name of Mr. Hammarskjöld was proposed by the French representative. The French proposal was thereupon adopted by 10 votes in favour, none against, and 1 abstention (China). This recommendation was then immediately transmitted to the President of the General Assembly, and the following telegram was sent to Mr. Hammarskjöld by Mr. Bokhari of Pakistan, the President of the Security Council:

""Security Council today recommended the General Assembly to appoint you to the post of Secretary-General of the United Nations left vacant by the resignation of Mr. Trygve Lie.

"This recommendation was adopted by the Council by ten votes in favour, 1 abstention and none against.

"In view of the immense importance of this post, more especially at the present time, members of the Security Council express the earnest hope that you will agree to accept the appointment if, as they hope and believe, it is shortly made by the General Assembly.

Ahmed Bokhari
Ambassador of Pakistan
President of the Security Council."

The following telegram was received the following day, April 1, at the United Nations from Mr. Hammarskjöld:

"With strong feeling personal insufficiency I hesitate to accept candidature but I do not feel that I could refuse to assume the task imposed on me should the Assembly follow the recommendation of the Security Council by which I feel deeply honoured."

22. In connection with this last meeting of the Security Council the Canadian Delegation was told that just prior to the meeting, on March 31, Lodge got in touch with Latin American representatives, and "dragooned" them into accepting Mr. Hammarskjöld, even though they had never heard of him previously. The Latin American representatives showed resentment at the tactics employed, and were only partially appeased the next day when Lodge apologized to them.

23. Because of the Easter recess, the General Assembly was unable to act on the recommendation of the Security Council before April 7. The Canadian Delegation was approached in the meantime to table a draft resolution providing that the terms of appointment of the second Secretary-General should be the same as those of the first Secretary-General. This draft resolution was disposed of first when the General Assembly met in Plenary session on the *afternoon of April 7*. The Canadian proposal was adopted unanimously. The General Assembly then adopted by secret ballot the recommendation of the Security Council to the effect that Mr. Hammarskjöld be appointed as the new Secretary-General of the United Nations. There were 57 votes in favour of the recommendation, 1 against, and 1 abstention. There is some doubt about which delegation cast the negative vote and which abstained. China clearly accounted for one of these votes. The other is still the subject of speculation. It was thought at first that Sweden might have abstained as a matter of modesty. However, Thorsing of the Swedish Delegation told the Canadian Delegation that he had voted in favour of Mr. Hammarskjöld. Thorsing thought that the

abstention might have come from Argentina, because Swedish public men have been loud in their denunciations of some of Peron's actions, particularly his suppression of *La Prensa*. Others have thought that Fabregat of Uruguay might have abstained as an indication of Latin American disapproval, not of Mr. Hammarskjöld, but of the manner in which his appointment was rushed by the United States, the United Kingdom and France without any prior consultations with Latin American representatives.

24. The rest of this meeting of the Plenary on April 7 was occupied by speeches of eulogy towards Mr. Lie on the part of many delegations. It had been agreed that New Zealand would speak on behalf of Australia, South Africa and Canada. The five Soviet delegations also spoke on the occasion, but their remarks were limited to an expression of satisfaction at the election of the new Secretary-General, and referred to Mr. Lie only to repeat that his tenure of office since 1950 had been illegal. None of the Arab delegations participated in this expression of thanks to the first Secretary-General of the United Nations.

25. The formal swearing-in of Mr. Hammarskjöld took place at the meeting of the Plenary on Friday, *April 10*. Mr. Pearson, as President of the United Nations, administered the oath to the new Secretary-General. The oath taken by Mr. Hammarskjöld which was the same as that taken seven years earlier by Mr. Lie reads as follows:

"I, Dag Hammarskjöld, solemnly swear to exercise in all loyalty, discretion and conscience the functions entrusted to me as Secretary-General of the United Nations, to discharge these functions and regulate my conduct with the interests of the United Nations only in view, and not to seek or accept instructions in regard to the performance of my duties from any Government or other authority external to the organization."

The swearing-in ceremony was followed by a number of speeches of welcome. It was also at that meeting of the Plenary that the formal turn-over from Mr. Lie to Mr. Hammarskjöld took place. Thus a question was disposed of which had kept the East and West at logger heads for more than three years. . . .

26. A few footnotes are added to complete this report. There has been some criticism of Jebb by friendly delegations (but not the Canadian Delegation) because he sought a vote on Mr. Pearson's appointment at the Security Council meeting on March 13 at a time when Zorin was reluctant to take a vote and had announced that he would have to veto Mr. Pearson. Some argue that Jebb should have allowed more time for private negotiations and should have known that once the USSR had vetoed a candidate they would not change their vote without making some sort of deal. There is also some criticism of Jebb by friendly delegations (but not the Canadian Delegation) because, having pushed Mr. Pearson's nomination to an early vote, he did not, in fact, arrange proceedings so that Mr. Pearson's name would come to a vote a second time. Jebb has, however, explained that by the time Mr. Hammarskjöld's name was first mentioned, Zorin had made it clear on several occasions that the Soviet Union would have to continue to veto Mr. Pearson. It is easy to criticize tactics when they have failed and to say that some other procedure would have ended in success. Persons who argue this way can never be proved

wrong because the alternative tactics cannot be tested. These criticisms are largely based on the assumption that the Soviet Union, manoeuvred into a position where it would have to choose between Mr. Pearson and Mr. Lie, would have chosen Mr. Pearson. As stated above, this situation never arose, not because of any lack of skill on Jebb's part but because, with the steady deterioration of Mr. Lie's position and the growing volume of opinion among many delegations and members of the Secretariat calling for his replacement, some of the Western Powers, at any rate, were no longer willing to say in effect to the Soviet Union, "if you do not accept Mr. Pearson we will continue Mr. Lie in office".

27. The mystery is not why the Soviet Union vetoed Mr. Pearson, an architect of the North Atlantic Alliance, but why it accepted Mr. Hammarskjöld when it might have settled for Entezam, or some other person less identified with the West than Mr. Hammarskjöld. Mr. Hammarskjöld, by all accounts, has closely cooperated with the Western Powers and has vigorously resisted Soviet pressure in Sweden. Entezam, it appears, would have been more amenable to Soviet pressure. Zorin apparently considered that if a candidate from the Soviet bloc was not acceptable to the West, he would not accept a candidate from any other bloc or group in the United Nations, e.g. the North Atlantic, the Arab-Asian or the Latin American.

28. Mr. Lie's intentions during the negotiations came in for some unkind comment. Did he really intend his resignation to be accepted, or was his resignation a device to have his term extended another five years? Mr. Lie himself always said he wished Mr. Pearson to succeed him. As far as is known to the Delegation his actions were consistent with that position and nothing was done by him to injure Mr. Pearson's chances of appointment. It is probably true that once Mr. Pearson was vetoed by the Soviet Union, Mr. Lie hoped to remain in office.

29. In conclusion, it should be noted that the Canadian Delegation did not play an active part in the discussions and negotiations leading to the appointment of a new Secretary-General. Mr. Pearson made it clear that he was available for the office, but was not seeking it. Hence, the Canadian Delegation did not do any canvassing on Mr. Pearson's behalf or take part in discussions as to strategy.

SECTION F

ÉVALUATION
ASSESSMENT

259. DEA/5475-DW-19-1-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations
to Secretary of State for External Affairs

DESPATCH 396 New York, April 27, 1953

CONFIDENTIAL

SEVENTH GENERAL ASSEMBLY — ASSESSMENT OF THE SECOND HALF

In the absence of Mr. Pearson and Mr. Martin, I am sending you our tentative assessment of the work of the second half of the Assembly, which began on February 24.

2. The Session which was recessed on April 23, may not have been "the turning point in history" which the Chairman of the First Committee, Mr. Muniz,[13]hoped, but it did reflect a decided and at times dramatic improvement in the political climate. In the final week of the Assembly two resolutions on important political subjects were adopted unanimously — an unprecedented development in the history of the United Nations. As Sir Gladwyn Jebb, acting as President of the General Assembly at its closing Session said, the latter part of the Session had shown an "objectivity and good temper" on the part of all delegations which had made the present phase of our work "on the whole happy and satisfactory". The improved atmosphere was indeed a good augury for the speedy conclusion of an armistice in Korea which was the central hope and objective of all delegations, even including, insofar as one could judge from appearances, the Soviet Delegation.

3. The second half of the Assembly was not, of course, all sweetness and light. Only two or three weeks after Stalin's death and Malenkov's conciliatory statements on taking office was there a noticeable improvement in the tenor of Soviet statements. Indeed even under the Polish item which was one of the last to be discussed, Vishinsky reverted to propaganda themes concerning the one-third cut in the armed forces of the Great Powers, the iniquities of NATO and the need for a Five-Power Pact, all of which have been trotted out as part of the regular Soviet routine for the past four years. On the final day of the Assembly the Soviet Delegation maintained its opposition to the establishment of a United Nations Commission, consisting of representatives of Brazil, Egypt, Pakistan, Sweden, and Uruguay, to investigate the charges of bacteriological warfare having been used in

[13] João Carlos Muniz, repésentant permanent du Brésil auprès des Nations Unies.
João Carlos Muniz, Permanent Representative of Brazil to United Nations.

Korea — an attitude of falsification and concealment which the United States Representative, Mr. Gross,[14] in his final appearance before the Assembly, did not hesitate to call "iniquitous". It is also true that none of the gestures which were made by the Soviet Delegation cost them very much. Neither side, in fact gave anything away. It was chiefly because an exchange of civilities and occasional unanimity are such extraordinary occurrences in the United Nations that they attracted so much attention and raised hopes which have in the past been pretty steadily pinned down under the customary barrage of propaganda and abuse.

4. The grounds for hope and encouragement were these:

(a) the withdrawal of the Polish resolution (on Korea, Disarmament and NATO) and the unanimous adoption of a Brazilian resolution noting the new Chinese proposals for a solution of the prisoner of war question and hoping that the exchange of sick and wounded prisoners would be followed by an early armistice consistent with United Nations principles and objectives;

(b) the unanimous adoption (China abstaining) of a Mexican resolution which deplored the presence of Chinese forces in Burma, condemned their hostile acts and called for their disarmament and their withdrawal or internment;

(c) the almost unanimous appointment of Mr. Dag Hammarskjöld as Secretary-General, China alone voting against the Security Council's recommendation in the Assembly;

(d) the restraint shown by the Soviet Delegation in not exploiting to the full for propaganda purposes some issues before the Burmese item. The Soviet spokesmen confined themselves to attacking the Government of Formosa and did not charge the United States with supplying men and equipment to the Chinese Forces in Burma;

(e) the relative but not total absence of offensive language from Soviet bloc statements made during the last three weeks of the Assembly and the ingratiating and even playful tone of some of Mr. Vishinsky's last statements;

(f) contrary to customary practice, some Czech and Polish delegates who could speak Russian addressed the Assembly in English, Spanish or French;

(g) members of the Soviet bloc delegations were occasionally seen in safe numbers in the delegates' lounge, although they kept to themselves.

5. These were the symptoms in the Assembly of the evident change in tactics initiated by the new leaders of the Soviet Union, shortly after they assumed power. The change not only affected the Assembly's discussion of East-West issues but made itself felt on a number of side issues. The most important of these was anti-semitism. Instead of a slam-bang debate under either the Czech or the Polish items, or both, in which the Israeli and United States delegations had expected to take the offensive in denouncing the growing evidences of anti-semitism in the Soviet bloc, there was little more than a perfunctory debate on this subject, because of the an-

---

[14] Ernest A. Gross, représentant suppléant des États-Unis auprès des Nations Unies et représentant suppléant auprès du Conseil de sécurité jusqu'au 19 février.
Ernest A. Gross, Deputy Representative of United States to United Nations and Deputy Representative on Security Council until February 19.

nouncement on April 4 of the Soviet Government's decision to release the Jewish doctors in Moscow and its admission that the evidence against them had been trumped up. This was taken by the Israeli and other delegations as a hopeful sign that anti-semitism (or perhaps more correctly anti-zionism) behind the Iron Curtain was at least temporarily being stopped. The heated exchanges on anti-semitism took place between Israel and the Arabs and not between the East and West.

6. The Assembly's reaction to these Soviet blandishments was more restrained than some delegations such as the United States had at first expected would be the case. There was no serious effort made even by enthusiastic mediators such as Mr. Menon and Mr. Palar[15]to try to bring the Korean negotiations directly into the Assembly. Natural hopes were prevented from becoming inflated by a very general scepticism based on previous experience of Soviet performance. For example, the Soviet attempt to woo the Assembly into allowing the United Nations atomic energy plan and the terms of reference for the Disarmament Commission approved by the majority in Paris last year to lapse, failed, although it got a considerably larger vote (10 in favour and 13 abstentions) than would otherwise have been the case. The Assembly secured unanimity on the Korean and Burmese resolutions by accepting only minor modifications to meet the Soviet position.

7. The outstanding fact, however, was that not only had Soviet statesmen changed their tune, but the Soviet Delegation seemed ready to go out of its way in order to vote for a political resolution supported by Western Powers. In the past Soviet representatives have gone out of their way to vote against what seemed to be the most anodyne resolution supported by the West, even on technical and still more on political matters.

8. The general reason for this was clearly the new "peace offensive" initiated by Malenkov in his statements on March 9 and 15. A secondary reason may well have been the position into which the Soviet Delegation had already been manoeuvred during the earlier part of the Session. The prelude to the two unanimous resolutions was a series of Assembly resolutions, in which the Soviet bloc had been effectively isolated with only three or four abstainers. This process had begun with the Indian resolution on Korea adopted by the General Assembly on December 3 last by 54 votes to 5 with 1 abstention and had continued at the resumed session with similar votes on the following subjects:

(a) a resolution on Korea adopted in March, calling on all members to continue within their means to help Korean relief and reconstruction (55-5-0);

(b) a resolution asking for Eastern European cooperation in an effort to secure the repatriation of members of the Greek armed forces still being held in satellite countries (54-5-0);

(c) a resolution on Collective Measures continuing the United Nations work in the field of collective security (50-5-2);

---

[15] L.N. Palar, représentant permanent de l'Indonésie auprès des Nations Unies; chef adjoint de la délégation à la septième session de l'Assemblée générale des Nations Unies.
L.N. Palar, Permanent Representative of Indonesia to United Nations; Vice-Chairman, Delegation to Seventh Session of General Assembly of United Nations.

(d) a resolution on disarmament continuing the Disarmament Commission and reaffirming the majority principles under which it operates (52-5-3);

(e) a resolution establishing a Commission to investigate charges of bacteriological warfare, if the Chinese and North Koreans agreed to let it in (51-5-4).

9. The Soviet Delegation was therefore in effect faced as never before with the alternative of isolation or getting on the Assembly band wagon. Without much effort or dislocation on its part, it finally took the opportunity which everyone was ready to give it of voting for two resolutions. By doing so it demonstrated that a more cooperative Soviet policy in the general Assembly could be more effective than the traditional Billingsgate.

10. Although as I have said, the Assembly kept its head when the peace doves were let loose, I think Mr. Vishinsky must by now realize that he has discovered that the olive branch can be mightier than the birching rod. His gestures in the closing days of the Assembly won him the fulsome gratitude not only of several Asian delegates, notably Mr. Krishna Menon of India, but even of others such as Mr. Belaunde of Peru. I had some sympathy with Mr. Gross when he said that in his opinion the occasion called more for hope than for gratitude. As a member of the United States Delegation put it privately when the Polish resolution was withdrawn, Mr. Vishinsky and Mr. Skrzeszewski[16] were receiving the plaudits of the Assembly for withdrawing a poisonous resolution which should never have been tabled in the first place, and which, had it been put to the vote, would have been almost unanimously rejected. Similarly the unanimous resolution on Korea, coinciding as it did with the agreement reached at Panmunjom on the exchange of sick and wounded prisoners of war, probably led Arab and Asian delegations and some others to read more into the gesture than was perhaps warranted.

11. A more welcome sign of the new Soviet attitude was their affirmative vote for the appointment of a pro-Western Swedish diplomat, Mr. Hammarskjöld, as Secretary-General. This vote was perhaps to some extent an indication of the Soviet Government's intense dislike of Mr. Lie and their determination to pay a price for his removal. There was general disappointment that the price they were willing to pay was not high enough to accept Mr. Pearson as Secretary-General. Vague hints earlier in the year had encouraged many people to hope for this. Nevertheless the Soviet stand against the election of a member of any bloc once the candidate of their own bloc had been defeated is consistent and understandable, although regrettable.

12. In the course of my analysis of the Soviet peace gestures as reflected in the United Nations, I have touched on most of the subjects which came before the Assembly during these past two months. The items were for the most part not of great importance in themselves and I will not attempt any detailed assessment of them here. They were the leftovers of the Assembly's political agenda and at the resumed session, at which only the Political Committee was reconstituted, they

[16] Stanislaw Skrzeszewski, ministre des Affaires étrangères de Pologne; chef de la délégation à la septième session et à la huitième session de l'Assemblée générale des Nations Unies.
Dr. Stanislaw Skrzeszewski, Minister of Foreign Affairs of Poland; Chairman, Delegation to Seventh and Eighth Sessions of General Assembly of United Nations.

were dealt with for the most part by permanent delegations. Our agenda in fact presented a rather unpromising assortment of topics, ranging from bacteriological warfare charges, and charges of United States subversion in Eastern Europe through subjects that had already been dealt with exhaustively at the previous Session such as Korea, and matters which in present circumstances required little more than routine attention by the Assembly such as Collective Measures and Disarmament. As the final item on the agenda there was a Polish omnibus item which included under the heading "measure to avert the threat of a new world war and strengthen peace and friendship among the nations", a rehash of Soviet propaganda lines on all the major political issues which had already been before the Assembly under individual items.

13. There was also the delicate and difficult question of the Secretary-General's personnel policies affecting to an important degree the morale of the Secretariat.

14. The earlier debates at the resumed session, and especially those on Korea, were dreary enough. No one had much to say that was new. In familiar vein Mr. Vishinsky lashed out at the new government of the United States as a "war-mongering clique of Wall Street imperialists" and fired off his usual broadside of newspaper clippings and Congressional quotations to sustain his case that the United States was seeking to extend the war in the Far East.

15. With a crispness which was new and refreshing, the new United States Representative, Mr. Lodge, adopted the practice of quick extemporaneous rebuttals of Soviet charges, but since his government's position was to stand pat on the Indian resolution, he too had nothing more to offer the Assembly on Korea. It was not until the Chou En-lai proposals of March 30 that the Assembly's debate on this subject acquired much interest or significance. Even then, it was the consensus of the Assembly that the negotiation of a Korean armistice should take place at Panmunjom, and that the General Assembly should intervene in the actual conduct of negotiations only in the event of a further breakdown of the Panmunjom talks. The final resolution of the Assembly therefore called for the Assembly to resume its Session (now technically recessed) in the event of an armistice or if "other considerations" (meaning a deadlock at Panmunjom) should in the opinion of the majority require it.

16. The debate on the Secretary-General's personnel policies was complicated by the fact that while it was being held no one knew who would be the next Secretary-General or indeed whether Mr. Lie might not after all be asked to continue if the Great Powers failed to reach agreement. The nub of the personnel question was really how to sustain morale in the Secretariat and at the same time satisfy to some extent the political requirements of the host country. Both these essential features depended largely on the quality of the man appointed as Secretary-General and on public confidence in his judgement both in the United States and in the Secretariat. There is little question that Mr. Lie had lost the confidence of the Secretariat and of many delegations. The debate on abstract principles was therefore to some extent unreal, the more so as all delegations suffered considerable inhibitions in what they were prepared to say publicly. They were reluctant to criticize Mr. Lie frankly, because he might continue as Secretary-General. In any case the criticism which

many delegations felt was justified concerned more what the Secretary-General had done in practice rather than his formulation of the principles of personnel policy which were the formal subject of the debate. These principles were in fact largely unexceptionable, with two or three important exceptions which the Canadian, New Zealand, Netherlands, French and Scandinavian Delegations did not hesitate to state in plain terms. For these reasons the debate was on the whole less constructive than it might have been, and the criticisms which were generally expressed did little to repair the damaged morale of the Secretariat.

17. The appointment of Mr. Dag Hammarskjöld, however, did more to recreate a steady and businesslike atmosphere in the Secretariat overnight than the days spent debating the Secretary-General's personnel policies in the abstract. There is no question but that he has made a favourable impression and a good start.

18. Whereas the first half of the General Assembly was stalled by the change in the United States Government, the major event of the second half was the change in the leadership of the Soviet Government. These two events, combined with an apparent readiness displayed on both sides to settle at least some of the outstanding issues, commencing with the Korean war, has given delegations new hope in the work of the United Nations. The United States response to the Soviet peace gestures in the form of President Eisenhower's proposals of April 16, together with the assurances of the spokesmen of both sides in the United Nations that they were ready to go halfway to meet the other, has reminded delegates once more of the spirit in which this organization was conceived.

19. I think it is fair to say, however, that most delegations with whom we are in close touch would foresee little if any likelihood of the early settlement of outstanding issues outlined by President Eisenhower, though there is certainly a real determination to achieve whatever limited accommodations are practicable. Indeed there was some impatience that the United States seemed at first to be hesitant about resuming full-dress negotiations at Panmunjom — a feeling which Mr. Vishinsky was quick to exploit.

20. While the change in Soviet tactics seems promising, it should not be overlooked that in regard to both European questions and long-range Far Eastern questions the Soviet Union may believe, and have some grounds for believing, that Western unity in the United Nations is more likely to be undermined by a conciliatory than by a threatening Soviet posture. Mr. Vishinsky spoke of "tunnelling halfway" to meet us but some delegates wondered whether such tunnelling might not be the most effective form of Soviet political warfare in the United Nations. Although the effects would naturally wear off if unanimous resolutions became the fashion rather than the exception, Soviet delegations could probably count for some time on securing greater concessions to their point of view by holding out the promise of a unanimous vote than by any other means. Moreover agreement on a resolution is an inexpensive gesture to make with, as this Assembly showed, an excellent return in goodwill. As Mr. Pearson pointed out in his final session as President, "we know from experience that resolutions are not always the same as solutions". Although everyone was encouraged and hopeful at the end of the Assembly, there was still no concrete evidence that the Soviet Union wished to arrive

at a general détente with the West, although it did seem, by all the omens, genuinely anxious to end the Korean war.

21. The main cloud on the otherwise promising sky during the last few days of the session was the news of the setting up of a "Free Thai People's Government" in Yunnan and the invasion of Laos by Viet Minh forces. Acting on her own, Laos appealed to the United Nations, but her appeal has not yet been received and will probably be referred to the French Government when it is, as France is responsible for the conduct of her foreign affairs, and is not anxious to involve the United Nations in Indo China.

22. In a small way, however, Indo China last week got involved in the United Nations. The King of Cambodia, also acting on his own, was discovered placidly queuing up for a guided tour of the United Nations buildings.

DAVID M. JOHNSON

2e PARTIE/PART 2

HUITIÈME SESSION DE L'ASSEMBLÉE GÉNÉRALE, PREMIÈRE PARTIE 15 SEPTEMBRE — 9 DÉCEMBRE 1953
EIGHTH SESSION OF THE GENERAL ASSEMBLY, FIRST PART SEPTEMBER 15 — DECEMBER 9, 1953

SECTION A

ÉLECTIONS AUX ORGANES PRINCIPAUX DES NATIONS UNIES
ELECTIONS TO PRINCIPAL ORGANS

260. DEA/5475-B-5-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], June 8, 1953

MEMBERSHIP IN UN COUNCILS

In my memorandum to you of May 15th, which is attached,† I made certain recommendations as to Canadian candidature for the UN Councils which, in the light of the information now received that New Zealand will be a candidate for the Security Council for 1954-55, might now be summarized:

in respect of the *Economic and Social Council*:

1st choice: that at elections *next year* we run for the period 1955-57 (seats vacated by Belgium and Egypt);

2nd choice: that at elections *this year* we run for the period 1954-56 (seats vacated by Sweden and the Philippines);

3rd choice: that at elections *in 1955* we run for the period 1956-58 (to succeed Australia);

in respect of the *Security Council*: that we consider running for 1956-57;

in respect of the *Trusteeship Council*: that we do not run for the Trusteeship Council in the near future.

2. Our Permanent Delegation in New York has now commented on these recommendations and incidentally reported that the Netherlands will definitely be a candidate for ECOSOC at elections in 1954 to succeed Belgium. Mr. Johnson considers that an attempt to get on ECOSOC this year will embarrass Norway and an attempt next year will embarrass the Netherlands. In addition, in respect of the seats from other regions, viz. to replace the Philippines this year or Egypt next year, he doubts that we would have much chance of winning. He doubts that we should seek election to ECOSOC until Australia comes off at the end of 1955, but says he might revise this view if he thought that we were extremely interested in the work of ECOSOC and anxious to give leadership to it. As to the Security Council, Mr. Johnson considers that we might stand for 1956-57 (to follow New Zealand), unless you are of the opinion that it is Australia's turn, and if you are of this opinion, that we should stand to follow Australia for 1958-59. He agrees that we should not seek early election to the Trusteeship Council. (Letter No. 494 of May 28th† from the Permanent Delegation, which is attached, goes into the question of membership in United Nations Councils in some detail.)

3. If we should wish to go back on ECOSOC before Australia retires at the end of 1955 or to go on the Security Council after New Zealand, it would be well for a very early decision to be taken so that we might inform our friends and get their support. The practice of announcing candidature to elections at a very early date has been followed by other countries, and I believe it would be desirable for us also to make a very early announcement when a decision is taken that we wish to be elected to any one of the Councils.

4. Having regard to the views which our Permanent Delegation has expressed, I feel that I must now revise my recommendations as to ECOSOC. I think we might agree that we should not run for ECOSOC[17] in the elections this year (my second choice above). As between that which was my third choice, namely waiting until 1955, which the Permanent Delegation favours, and my first choice of running next year, the decision is difficult. If we wait until 1955, there will be a period of three years, 1953-55, during which we will not have served on any UN Council. From the establishment of the United Nations up to this year of 1953 we have always been on one or other of the Councils. To remain off for three years does not appear consistent with the importance we attach to the support of the United Nations. Mr. Johnson's letter stresses the importance of working contacts with other Delegations in order to maintain the usefulness of the Permanent Delegation as a channel of political reporting on subjects of general interest to the Government, and if we are not on any of the Councils of the United Nations for three years, the Delegation

[17] Note marginale:/Marginal note:

I agree unless we are pressed by others to do so. [L.B. Pearson]

will undoubtedly be at a disadvantage as a result. It is true that any contribution we have to make to UN debates in economic and social matters can be made in the General Assembly, and that it is reasonable for other countries which have not served, or have served short terms only, to have a turn. I do not think we should accept Mr. Johnson's implication that we are not sufficiently interested in ECOSOC to give leadership, but it is true that if economic conditions should change in the next couple of years, we might go back on the Council at a more favorable time. Notwithstanding the disadvantages of remaining off the Council, I am impressed by the argument that we would have difficulty in getting on and that it will cause embarrassment to our friends. If we should compete with the Netherlands, a division of votes may cause us both to lose. There is no doubt a possibility that the Netherlands would be elected and in addition, we could take the seat vacated by Egypt. It is clear, however, that if we stand next year, we may cause some embarrassment to the Netherlands and in addition run the risk of defeat.[18] Having regard to the conflict of advantage and disadvantage, I do not make a firm recommendation as to whether we should run for ECOSOC next year or wait until 1955, and in my final paragraph below I suggest that you yourself may wish to take the decision as to this. If we should wish to stand for ECOSOC in the 1955 elections, this should be considered in relation to our candidature for the Security Council, as to which I comment below.

5. The Permanent Delegation points out, and I agree, that because of Canada's importance in the world and of the part we have played in international affairs, we should seek a seat on the Security Council as soon and as often as we decently can. Having regard to the difficulties of the Asian countries in representation on the Security Council, we may, if we wait too long, meet with increasingly stiff competition from an Asian country. There are arguments, therefore, in favour of attempting to follow New Zealand on the Security Council for the period 1956-57. You may, however, consider that we should not attempt to precede Australia and should wait our turn after that country.[19] In addition, if we try in the elections of 1955 for the Security Council for 1956-57 and wished in the ECOSOC elections held at the same time to go back on ECOSOC following Australia, we might have some difficulty in securing election to both, but it should not, however, be impossible.

6. The question of a conference to revise the Charter will come up for consideration at the General Assembly in 1955. As from 1956, therefore, there is some possibility that the Councils may be enlarged and that a greater number of countries may be admitted to the United Nations. In the result, there may be more countries seeking seats on the Councils, and with more places available, the traditions established as to representation of areas will no doubt be altered. It may perhaps be simpler for us to secure election when this occurs. Any decision we take now need not, however, be affected by this possibility. It is a point that if we should go back on

[18] Note marginale:/Marginal note:
I think that we might discuss this matter with the Netherlands and then make up our minds. They *might* be willing to withdraw in our favour & stand the next year. L.B. P [earson]

[19] Note marginale:/Marginal note:
If we are on ECOSOC we should wait until Australia has had its turn. [L.B. Pearson]

ECOSOC for the period 1956-58 and on the Security Council for 1956-57 and if there should be a conference to revise the Charter in 1956, we would have a pretty heavy burden to carry on the UN side all at the one time. This is not necessarily a disadvantage, and I believe it would be a good thing for us to be on one or more of the Councils again before a conference to revise the Charter is called.

7. I should be glad to have your instructions

(1) (a) as to whether we should remain off ECOSOC through 1954 and 1955 and try to get back after Australia for the period 1956-58;[20] or

(b) as to whether we should now announce our candidature for ECOSOC for the period 1955-57 at the elections next year when seats are vacated by Belgium and Egypt;

(2) as to whether we should attempt to follow New Zealand on the Security Council for the period 1956-57 or whether this should be left as Australia's turn;[21]

(3) as to whether we should refrain at the present time from any attempt to take a seat on the Trusteeship Council.[22]

C. R[ITCHIE]

261. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

[Ottawa], September 21, 1953

2. *Eighth Session of the United Nations General Assembly*

United Nations Division: The eighth session of the United Nations General Assembly opened on Tuesday, September 15. The Chairman of the Canadian Delegation addressed the Assembly as retiring President (text is being issued as E.A. Supplementary Paper 53/24). . . .

Election of President — Madame Pandit of India was elected President by a majority of 37 to 22 over Prince Wan of Thailand. Canada voted in her favour. . . .

---

[20] Note marginale:/Marginal note:
Yes — if the Netherlands insist on running after they know our desires. [L.B. Pearson]

[21] Note marginale:/Marginal note:
Decision to be postponed until we see about ECOSOC. [L.B. Pearson]

[22] Note marginale:/Marginal note:
Yes. [L.B. Pearson]

262. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

CONFIDENTIAL [Ottawa], October 13, 1953

3. *Eighth Session of United Nations General Assembly — Elections*

United Nations Division: During the week the General Assembly held elections for the three Councils. The results were as follows:

Security Council — Brazil (56 votes) was elected as a replacement for Chile; New Zealand (48) to replace Pakistan, and Turkey (40) to replace Greece. Canada voted in favour of these three candidates. Brazil and New Zealand were elected on the first ballot. It was not, however, until the eighth ballot in a succession of contests with Poland that Turkey secured the 40 votes necessary for election. The membership of the Security Council after December 31, 1953 will thus be as follows: United Kingdom, United States, France, China, USSR, Colombia, Denmark, Lebanon, Brazil, New Zealand and Turkey.

Economic and Social Council — Six new members were elected to ECOSOC. The votes they received were as follows (previous members shown in brackets): United Kingdom 47 (United Kingdom); USSR 45 (USSR); Ecuador 45 (Uruguay); Norway 42 (Sweden) and Czechoslovakia 42 (Poland); and Pakistan (Philippines). All of the successful candidates received Canadian support. When these countries take their place after December 31, 1953, the composition of ECOSOC will be as follows: United Kingdom, USSR, Ecuador, Norway, Czechoslovakia and Pakistan — to December 31, 1956; Australia, India, Turkey, Venezuela, United States and Yugoslavia — to December 31, 1955; Argentina, Belgium, China, Cuba, Egypt, France — to December 31, 1954.

Trusteeship Council — India and Haiti were elected to the Trusteeship Council as replacements for Thailand and the Dominican Republic. Canada supported both successful candidates. The composition of the Council when these countries take office after December 31, 1953 will be: United Kingdom, United States, France, Belgium, Australia and New Zealand; China and the USSR; and El Salvador, Syria, India and Haiti.

. . .

SECTION B

INSTRUCTIONS À LA DÉLÉGATION CANADIENNE
INSTRUCTIONS TO THE CANADIAN DELEGATION

263. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

SECRET [Ottawa, n.d.]

CANADIAN POLICY ON MAJOR ISSUES AT THE EIGHTH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY

I submit for the approval of Cabinet general instructions for the Canadian Delegation to the 8th session of the United Nations General Assembly in respect of major items which will come up for discussion. I shall seek the approval of Cabinet separately in respect of certain items having financial implications. The 8th session of the General Assembly has very little that is new on its agenda. Most of the questions are those which have been considered in previous Assemblies and on which whatever progress is made will be against a background of the discussions which took place in other years. Cabinet approved instructions on most of these questions last year and in general therefore, the Delegation should follow a policy in accordance with that adopted by the Canadian delegation to the 7th session of the Assembly.

General — The 8th session of the General Assembly will be held at a time when attention is being devoted to major questions in other international discussions. The political conference on a Korean settlement is scheduled to take place during the period of this session, and a four-power meeting on German questions is likewise a possibility. It is to be hoped, therefore, that discussions at the 8th session of the Assembly will not render the other discussions more difficult. With this in mind the Canadian Delegation should endeavour to keep the attention of the Assembly focused on the substance of the questions in hand and should strive to keep propaganda debate to a minimum, at least until the Communist attitude in other international conferences has become clear.

South Africa, Tunisia and Morocco — The items in relation to Tunisia, Morocco and South Africa fall within the category of matters in which, despite any new developments within the past year, there is no reason to change the basic lines of Canadian policy. The Delegation should support the right of the Assembly to discuss these problems but should not vote in favour of any resolutions that clearly impinge upon the domestic jurisdiction of states. The aim should be to encourage a solution of the problems involved and to avoid action which is not clearly warranted under the Charter, or which may aggravate the difficulties by the encourage-

ment of unrest in the countries concerned or by antagonizing the states whose co-operation in achieving a solution is essential.

Admission of Communist China — Any proposals at the opening of the 8th session to admit Communist China to the United Nations should be opposed. If the matter should be revived at a later stage during the 8th session as a result of developments which would indicate any possibility that the Assembly might give favourable consideration to the admission of Communist China a directive from Cabinet will be sought.

Admission of New Members — The Delegation should continue to oppose any solution to this problem which would circumvent the provisions of the Charter. The agreement of the Great Powers on admission of new members is not at present in sight. An extension of the membership of the United Nations is desirable and the acceptance of certain Communist satellites might not be too great a price to pay, but the admission of applicants such as North Korea and Viet Minh which are not independent could not be accepted.

Questions of Dependent Territories — As in the past the Canadian Delegation should maintain the view that the Assembly should concern itself with broad matters of policy regarding trust territories and leave to the Trusteeship Council the right to deal with the administrative details. The Delegation should continue efforts to bring about a measure of agreement between non-administering powers and administering authorities by seeking to modify the stands of both sides.

Prisoners of War Commission — Support should be given to the continuance of the Ad Hoc Commission on Prisoners of War. In so doing the Delegation should bear in mind the importance attached to this Commission by the Governments of Western Germany, Italy and Japan as a means of bringing public opinion to bear on the culpability of the USSR in retaining their nationals. The Delegation should not ignore the possibility that the conciliatory action taken by the USSR in other directions might in time encompass the question of prisoners of war.

Personnel Problems — The Secretary-General must report to the 8th session on the progress made in the conduct and development of personnel policy. The broad objectives of Canadian policy as contained in the instructions to the Delegation to the 7th session included maintenance of the independence of the United Nations from undue influence by member states, and the achievement of a modus vivendi between the United Nations and the United States by meeting the justifiable security requirements of the United States. The new Secretary-General will report in an improved atmosphere as some of the problems have been solved and morale has improved. The problem remains of reconciling the needs for an impartial review of staff dismissals by an independent tribunal and of giving the Secretary-General certain discretion to dispense with the services of staff members whose retention would be harmful to the interests of the United Nations. The Delegation will be guided by the same basic objectives as were laid down for the Canadian Delegation to the 7th session.

Korea — At the opening of the 8th session the question of the political conference may again come up for discussion on the basis of counter-proposals of Communist China and North Korea. Now that the question of a political conference has been

settled on the UN side, it would be preferable for the General Assembly to avoid further debate upon Korean political questions until a report on progress at the conference is submitted. This, however, may be difficult. On the question of aid for Korea, the Delegation should give a clear indication of the concern felt by the Canadian people for the distressed citizens of Korea and should give some indication in discussion of the attention and support which Canada has already devoted to reconstruction in Korea.

Burma — The Delegation may support action of the Assembly calling upon the parties concerned to arrange for the withdrawal of Chinese nationalist forces from Burma.

Economic Matters — The General Assembly will again be considering the question of the establishment of a Special United Nations Fund for Economic Development (SUNFED) and of an International Finance Corporation for equity investment and loans without government guarantees in the under-developed countries. Draft instructions for the delegation on these two questions and on Canadian participation in the United Nations Expanded Technical Assistance Programme are still under discussion, and Cabinet will be consulted if any significant change is considered desirable in the policy of these matters approved for the 7th session of the Assembly.

L.B. PEARSON

264. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], September 9, 1953

. . .

UNITED NATIONS GENERAL ASSEMBLY; COMPOSITION OF THE CANADIAN DELEGATION; INSTRUCTIONS

50. *The Secretary of State for External Affairs*, referring to discussion at the meeting of August 13th, 1953 submitted recommendations regarding the final composition of the Canadian delegation to the Eighth Session of the United Nations General Assembly and the instructions to be given to it.

Explanatory notes had been circulated.

(Minister's memoranda, Sept. 8, 1953 — Cab. Docs. 197-53† and 198-53)

51. *The Cabinet*,

(a) noted with approval the recommendations of the Secretary of State for External Affairs as to the appointment of Parliamentary observers and the composition of the Canadian delegation to the Eighth Session of the United Nations General Assembly, and agreed that the Canadian delegation consist of the following in addition to the Secretary of State for External Affairs as Chairman:

Representatives

The Postmaster General (Vice-Chairman)
Senator S.S. McKeen
D.M. Johnson, Esq., Permanent Representative of Canada to the United Nations,
Dr. George Davidson, Deputy Minister of Welfare

Alternate Representatives

Alan MacNaughton, Esq., M.P.
Mrs. A.L. Caldwell, Saskatoon
G.S. Patterson, Esq., Consul-General of Canada, Boston
Stuart Hemsley, Esq., Department of External Affairs
and,

(b) approved in principle the general instructions to the delegation, it being understood that the Secretary of State for External Affairs would arrange to have the delegation refer back to Cabinet for further directions on any important matters not covered in the instructions.

. . .

SECTION C

FONDS SPÉCIAL DES NATIONS UNIES POUR LE DÉVELOPPEMENT ÉCONOMIQUE
SPECIAL UNITED NATIONS FUND FOR ECONOMIC DEVELOPMENT

265. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CONFIDENTIAL [Ottawa], September 17, 1953

SPECIAL UNITED NATIONS FUND FOR ECONOMIC DEVELOPMENT

Instructions for Canadian Delegation to Eighth Session of the General Assembly

At the sixth session of the General Assembly, the under-developed countries were successful in passing a resolution, against the strong opposition of the more economically advanced countries, including Canada, calling on the Economic and Social Council to draw up a detailed plan for establishing, as soon as circumstances permit, an international fund for grants-in-aid and low-interest long-term loans to the under-developed countries, to assist in their economic development.

At the fourteenth session of the Economic and Social Council in 1952 agreement was reached on the appointment of a Special Committee to draw up a detailed plan for the fund. One of the effects of this resolution was to postpone discussion of the substance of the issue and in voting for it the Canadian and United States representatives made it clear that they regarded the resolution as a matter of procedure

which did not in any way commit their Governments to the principle of an international development fund.

While not excluding the possibility of Canadian participation in measures undertaken by the United Nations to augment the flow of capital to the under-developed countries, Canadian representatives have consistently opposed the immediate establishment of an international fund of the character envisaged by the under-developed countries in the ECOSOC and the General Assembly. Our reasons have been:

(a) at the time the proposals were first mooted — and the situation has not changed materially since — Canada's own resources were heavily strained by defence requirements;

(b) a scheme which did not leave effective control over grant expenditures in the hands of the principal contributing countries was not likely to make the best use of the funds available (this view was not made publicly);

(c) grant aid for development can probably be applied more effectively if programmes are worked out bilaterally, as under the Colombo Plan, rather than through a common fund administered internationally.

(d) it was felt that, rather than set up a new international institution, the United Nations might first explore the possibility of making use of existing institutions (e.g., the International Bank) for the distribution of additional funds for capital development.

At the same time Canadian representatives have endeavoured to avoid a head-on clash on this issue of a special international fund, since this would further sharpen the division between the developed and under-developed countries in the United Nations. So far this has proved possible because the less advanced countries have been willing to defer the question, at least until a detailed plan for the fund was drawn up.

Such a plan is now available in the report of the Special Committee appointed by ECOSOC. Under this plan the Fund would not be established until a minimum amount equivalent to $250 million had been pledged by at least thirty contributing governments. Assistance would be by way of grants and low interest long term loans. The Fund would be administered by an Executive Board on which the major contributors and the receiving countries would have equal representation. The report of the Special Committee was considered at the recently concluded sixteenth session of the Council, and has been placed on the agenda for the current session of the General Assembly. In transmitting the report, the Council has recommended that the Assembly consider "what other preparatory steps might usefully be taken towards the establishment, when circumstances permit, of an international fund designed to assist the development and reconstruction of the under-developed countries". The Economic and Social Council has also recommended that governments join at the eighth session of the General Assembly in the following declaration:

"We, the governments of the States Members of the United Nations, in order to promote higher standards of living and conditions of economic and social progress and development, stand ready to ask our peoples, when sufficient progress has been made in internationally supervised worldwide disarmament, to devote a portion of the savings achieved through such disarmament to an international fund, within the

framework of the United Nations, to assist development and reconstruction in under-developed countries."

The question now arises of the instructions to be given to the Canadian delegation in connection with the draft declaration and the suggestion that the Assembly consider what other preparatory steps might be taken towards the establishment of an international development fund.

Both the United Kingdom and the United States voted for the above declaration at the Economic and Social Council, and it is understood that their representatives will support it in the General Assembly. This means that these two countries are now prepared to accept a commitment to make some funds available for a development fund within the framework of the United Nations, as and when some undefined degree of progress has been made in internationally supervised world-wide disarmament. The United States' position is in line with President Eisenhower's statement of April 16th.

The United Kingdom was prepared to accept the principle of a fund in the light of the change in the United States' attitude. It may be observed that the United Kingdom is likely to favour the establishment of a fund to which it would expect the United States to be the principal contributor and which might create the opportunity for the United Kingdom to earn dollars indirectly from such a fund by selling capital goods to the under-developed countries. It is to be noted that the wording of the proposed declaration,

(a) avoids any definite commitment concerning the level of disarmament at which the fund would be established or the percentage of savings which would be devoted to the fund,

(b) specifies that the disarmament must be internationally supervised and controlled,

(c) leaves the connection between the fund and the United Nations undefined, saying merely that the fund should be within the framework of the United Nations.

Recommendation:

It is recommended that the Canadian delegation be instructed as follows:—

(1) the declaration proposed by the Economic and Social Council may be supported provided the other countries which might eventually be expected to make substantial contributions to the fund including the United States and the United Kingdom are prepared to vote for the declaration.

(2) If, as may well be the case, the under-developed countries seek to strengthen the declaration in a way which would imply a more immediate or specific commitment to make finance available for international development through a United Nations' fund, further instructions should be sought in the light of the discussions which have taken place before any additional commitment is accepted.

(3) The Canadian delegation should take the position that no purpose would be served by further formalization of the proposal for an international development fund at the present time, on the basis that the circumstances in which the fund might later be established cannot now be foreseen. Similarly the Canadian delegation should support any move which would have the effect of avoiding considera-

tion at this time of the detailed plan for the fund drawn up by the Special Committee. If, despite the attitude of Canadian and other like-minded delegations, the under-developed countries are successful in precipitating a discussion of the merits of the plan proposed by the Special Committee, the delegation might find it expedient to support procedural moves which would have the effect of shelving the question temporarily, such as reference of the Report to governments for an expression of their views or to the International Bank for study. In any such situation the delegation should make it clear that its support in no way commits the Canadian Government to a scheme of the particular kind put forward by the Special Committee.

(4) Because of the undesirability of aggravating any clash which may arise between the under-developed and developed countries, the Canadian delegation should not take the lead in the discussion of the issues to which the Report of the Special Committee gives rise.

(5) In explaining Canadian reluctance to agree to further formalization of the plan for the establishment of the fund, the Canadian delegation should emphasize, as an earnest [sic] of its good intentions, the very substantial contribution which Canada is already making to the economic development through its subscription to the International Bank, its considerable part in the United Nations' Expanded Programme for Technical Assistance, and the capital and technical assistance being made available to the countries of South and South-East Asia through the Colombo Plan. At the same time the delegation should point out that the ability of Canada to do more is limited by the demands on Canadian resources for the development of our own country and the heavy burden of defence expenditure.

(6) During the debate, the delegation should indicate, as on previous occasions, that in the consideration of economic development, other factors besides the provision of finance are of vital importance and that to be most useful, financial and technical aid should be applied within the framework of sound internal fiscal policies, well-considered development programmes, progressive legal and social conditions, equitable and effective tax systems, and efficient administration. It should be emphasized, while recognizing the part to be played by external finance, that the main responsibility for development inevitably must rest upon the under-developed countries themselves, and that progressive attainment of better internal conditions would improve the outlook for grant assistance and, more importantly, for a natural flow of investment from other countries.

L.B. PEARSON

266. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], September 17, 1953

. . .

UNITED NATIONS: SPECIAL FUND FOR ECONOMIC DEVELOPMENT

12. *The Prime Minister* said that the United Nations General Assembly would soon be called upon to consider a plan for setting up of a Special UN Fund for Economic Development, which had been submitted by the Economic and Social Council. Under this plan the Fund would not be established until a minimum amount equivalent to $250 million had been pledged by at least 30 contributing governments. Assistance would be by way of grants and low interest long term loans. The Fund would be administered by an Executive Board on which the major contributors and the receiving countries would have equal representation. ECOSOC had recommended that governments join at the eighth session of the General Assembly in a declaration that they would ask their peoples "when sufficient progress has been made in internationally supervised worldwide disarmament, to devote a portion of the savings achieved through such disarmament to an international fund, within the framework of the United Nations, to assist development and reconstruction in under-developed countries."

It was understood that both the United Kingdom and the United States would likely support the declaration in the General Assembly.

Draft Instructions to the Canadian delegation in respect of the plan were submitted.

An explanatory note had been circulated.

(Memorandum, Secretary of State for External Affairs, Sept. 17, 1953 — Cab. Doc. 210-53)

13. *During the course of discussion* it was pointed out, —

(a) that the United Nations was perhaps not the most suitable agency to control and operate a fund of this character, as it would point up even more strongly the undesirable division of UN member countries into two distinct groups, the developed countries and the under-developed countries;

(b) that many under-developed countries lacked the type of productive projects which the International Bank would be prepared to finance, and for this reason such countries were anxious to have a special fund established from which more or less unsupervised loans could be obtained; and,

(c) that if a true and properly supervised state of international disarmament could be achieved, there might be advantage in establishing some form of international fund for the economic development of under-developed countries, although such a fund need not be along the exact lines suggested by ECOSOC.

14. *The Cabinet* noted the report by the Prime Minister on the plan for the establishment of a Special United Nations Fund for Economic Development, which had been submitted to the United Nations General Assembly by the Economic and Social Council, and approved the proposed instructions to the Canadian delegation to the General Assembly as submitted; it being left to the discretion of the Secretary of State for External Affairs as to the exact manner in which the Canadian case should be presented.

. . .

267. DEA/5475-DW-27-2-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

DESPATCH 118 New York, December 9, 1953

CONFIDENTIAL

Attached hereto is the Final Report in quadruplicate, on Item No. 26 (a) of the Second Committee dealing with "Question of Establishing a Special United Nations Fund for Grants-in-Aid and Long-Term Low-Interest Loans".

DAVID M. JOHNSON
for Chairman

[PIÈCE JOINTE/ENCLOSURE]

Extrait du compte rendu final du point 26 (a)

Extract from Final Report on Item 26 (a)

RESTRICTED December 8, 1953

QUESTION OF ESTABLISHING A SPECIAL UNITED NATIONS FUND FOR GRANTS-IN-AID AND LONG-TERM LOW-INTEREST LOANS

. . .

Action Taken at the Eighth Session

5. The general debate on economic development which began on October 12, afforded few surprises, except perhaps the comparatively strong statement made by the Netherlands representative in favour of the establishment of a fund when circumstances should permit. Delegations of the under-developed countries of course supported the establishment of the fund, though statements were on the whole mild and there was no disposition to "go it alone" or to set up a pilot project without United States participation. As regards the "disarmament declaration", these delegations, though expressing general support, were unwilling to accept the implication that establishment of the fund was dependent upon progress in disarmament, and many stressed that the resources available as a result of disarmament would be

additional. Delegations of the Soviet bloc played on the theme of exploitation by private foreign capital and stated that the provision of capital under international auspices was the only means of saving the underdeveloped countries from such exploitation. The Canadian statement, a copy of which is attached,† was made on October 26. It stressed the important and beneficial role which external private capital has played in the development of the Canadian economy, mentioned briefly what Canada has already done for economic development and reconstruction through the International Bank and the Colombo Plan, and stated that the Canadian Government recognized the desirability, when the time was ripe, of establishing some form of international fund within the framework of the United Nations. Defence costs at present absorbed over forty-five percent of the national budget, but the Canadian Delegation would support the disarmament declaration (which had by then been tabled as a resolution by the United States). The comments on this statement which appeared in the *Ottawa Journal* on October 29 were a fine specimen of ill-informed reporting and are attached as a matter of general interest.†

6. In contrast to the situation at the seventh session, when a number of resolutions were tabled by delegations of the under-developed countries, there were this year only four resolutions tabled on the whole of Item 26; Economic Development of Under-Developed Countries. One of these was on Item 26(b) and referred to the proposed International Finance Corporation. Of the other three on Item 26(a), one (A/C.2/L.204 copy attached)† contained the "disarmament declaration" and was sponsored by the United States. There had been some suggestion of trying to get very wide co-sponsorship, but when this proved difficult, the United States decided that it would be better to do it alone. The other two resolutions, specifically on SUNFED, were one sponsored by Greece, Haiti, and Pakistan (A/C.2/L.205 copy attached)† and one co-sponsored by twenty under-developed countries (A/C.2/L.206 copy attached)†. A good deal of private negotiation had preceded the tabling of these two resolutions in the hope of developing a text which would be satisfactory to under-developed and developed countries alike. Until the United States delegation had made its statement in the general debate on October 14, the under-developed countries had held off, but as soon as the United States position was known, they set about framing a resolution which would elicit the maximum concessions. The first tentative draft, which was produced by Yugoslavia on October 19, called upon the Secretary-General to appoint a group of seven to draft a statute for the fund and to appoint two rapporteurs who would travel about ascertaining what financial support could be expected from governments. The most the United States was prepared to accept at this stage was a reference of the report of the Committee of Nine to governments for comment and report to the ninth session. Greece, Haiti, and Pakistan represented a moderate group which was willing to try for a text that would be acceptable to both sides. This proved impossible of achievement and the two separate resolutions were consequently tabled on October 22 and 23. The twenty-power draft dropped the idea of appointing a group to draw up the statutes of the fund and substituted that of a person or persons who would "explain and further the idea of such a Fund in different countries, ascertaining the extent and amount of moral and material support and adherence which may be expected from them". The compromise resolution (A/C.2/L.205)† was not acceptable

to the United States as it stood but it was hoped that it might serve as a basis on which to negotiate. But it immediately became obvious that if there were to be any negotiations they would have to start from the twenty-power draft (A/C.2/L.206).† At this point the United States delegation went into a state of shock, being undecided whether to press for amendments to the twenty-power resolution or to stand aside and simply abstain on the final vote. It was here that the United Kingdom adviser, Mr. Derek Brinson, took over and the eventual achievement of a resolution is in a large degree due to his efforts. On October 27 the Netherlands delegation, which throughout discussions of this question was anxious to play an active part, tabled amendments to the twenty-power draft (A/C.2/L.207 copy attached).† These amendments, which would not have been acceptable as a whole, contributed to the resolution finally achieved by substituting for the idea of a mission which would act as an advocate for the fund, that of a "Contact Group" which would consider the comments of governments, consult further with governments if it were considered by the group to be desirable, and report to the eighteenth session of ECOSOC. The twenty co-sponsors promptly produced a revision of their first draft (A/C.2/L.206 rev.1 copy attached)† which adopted this and some other features of the Netherlands amendment. The Netherlands delegate was not consulted before they did this.

7. A discussion of the procedure to be adopted in dealing with the three resolutions now before the Committee occupied the whole of the meeting of November 2. It had been proposed by the United Kingdom delegate, and was generally accepted by the Committee, that a working group should be set up to produce an agreed text of a resolution on SUNFED. The difficulty arose over the United States "disarmament" resolution. The sponsor and most of the developed countries wanted this resolution to be considered apart from the others and if possible to be voted upon before the working group began its consideration of the other texts. Some of the under-developed countries, on the other hand, were prepared to accept the text of the United States resolution as it stood only if they should be satisfied with the text of what was to them the main resolution. They therefore pressed to have the United States resolution and an Egyptian amendment to it which had been tabled that day (A/C.2/L.207 copy attached),† referred to the working group along with the other texts. Eventually a compromise suggested by the Indian delegate was adopted, by which the primary reference to the working group was that of the three-power and twenty-power resolutions with the amendments thereto, and it was agreed that if the working party thought, after having dealt with them, it was possible to draft a single text containing all the resolutions, it should be free to do so.

8. The working party set up, which was under the chairmanship of Mr. Leo Mates, Chairman of the Main Committee, consisted of Belgium, Chile, Cuba, Denmark, Egypt, France, Greece, India, Indonesia, Iraq, the Netherlands, Pakistan, the Philippines, the United Kingdom, the United States and Yugoslavia. It held ten meetings between November 3 and 19. Canada, Australia, and New Zealand and also several delegations of the Soviet bloc attended all these meetings as observers. The United States delegation, being undecided whether or not to work for amendment of the resolution, took no active part in the work which for the developed countries was carried on chiefly by the United Kingdom delegation, with assistance

from France. The most obstinate and hardest fighters on the other side were the Cuban delegate and the delegate from Iraq. By November 7 a provisional draft had been drawn up which would have received the support of the United Kingdom, France, Belgium, and the Scandinavian countries. The United States required certain changes in order to be able to vote for, but was as yet unable to decide whether to work for these changes or simply to abstain. Delegations of under-developed countries represented in the working group were obviously anxious to canvass their colleagues in order to find out how much support was to be expected for the draft. The final position of all delegations depended to a considerable extent upon the solution of one question which was left open in the draft. This was the identity of Mr. "X", the person who was to be nominated to consider the comments of governments on the report of the Committee of Nine. The name of Mr. Raimond Scheyven of Belgium, president of the Economic and Social Council during 1953, had been suggested and was acceptable to the developed countries. Until November 19, however, and even until the resolution was adopted in the main committee, there continued to be a possibility that the under-developed countries would nominate Mr. Hernan Santa Cruz of Chile to share the mandate. Since Santa Cruz had been the principal advocate of the fund from the beginning, and since he had moreover been a member of the Committee of Nine, he would have been completely unacceptable to the developed countries.

9. Between November 7 and November 17, when the working group re-convened, there was considerable doubt whether the United States delegation would make an effort to secure an acceptable resolution or would simply abstain. During this period, the Canadian delegation was authorized to vote in favour of the tentative draft produced by the working group, provided the United Kingdom did so. The Australian and New Zealand delegations also began to move towards a more favourable attitude, and the United Kingdom, Belgian, French, Netherlands, and Scandinavian delegations were known to be prepared to support the draft. In these circumstances, the United States also decided to support, provided certain changes could be effected. These changes were brought before the working group at its meetings on November 17 and 18. The most important of them were directed towards removing from the consideranda the implication that international machinery for financially assisting the economic development of under-developed countries is a necessary condition of "an expanding and stable world economy", and towards cutting down the extent to which Mr. Scheyven was to be free to make recommendations in his report. The working group draft instructed Mr. Scheyven to present his report "together with his conclusions". The United States proposed an amendment which would have dropped these words, but was eventually obliged to accept the phrase "together with his comments". The Canadian Government was equally anxious that Mr. Scheyven's role should be kept as close as possible to that of a mere rapporteur of government views. The Canadian Delegation was instructed to make this clear in supporting the resolution and did so in an advance explanation of vote which was delivered in Committee on November 23 (copy attached).†

10. When the Main Committee met again on November 23, it had before it a draft resolution on SUNFED prepared by the working group (A/C.2/L.212 and Corr. 1, copy attached)† and the United States resolution, plus the Egyptian amendment

(A/C.2/L.204 and 208)† on which the working group had taken no action. The Egyptian delegate withdrew his amendment at this meeting. The situation was now straightforward, but was thrown into extreme confusion when an amendment to the main SUNFED resolution was suddenly introduced by the Czechoslovak delegate (A/C.2/L.214, copy attached).† It proposed that the fourth paragraph of the preamble, which referred to an expanded flow of private capital to under-developed countries, should be amended by the addition of the words "it being understood in this connexion that foreign capital investments should not be made conditional on any demands for economic, political or military privileges". As the amendment was introduced by the sponsor and supported by other delegations of the Soviet bloc, it became an attack on the policies of the International Bank and of the foreign investments made by "capitalistic monopolies". This made it impossible for the developed countries to support a resolution which contained any such reference. At the same time, the wording of the amendment was such that it was extremely difficult for delegations of the under-developed countries to vote against it, though they were obviously anxious not to lose the support of the United States for the SUNFED resolution proposed by the working group. Various suggestions were thrown out, mostly by the under-developed group, with the idea of getting the Czechoslovak to modify his proposal. A meeting of a working group was held, at which a compromise was hoped for, but as might have been expected, the Czechoslovak refused to budge an inch. The next day, the Committee got itself into a complicated procedural tangle, the upshot of which was that discussion on the Egyptian proposal to add the text of the Czechoslovakian amendment to the Rapporteur's report as expressing the general view of the majority of the Committee was adjourned until the report should be ready for presentation. The Committee then proceeded to vote. The United States resolution was adopted by 41 in favour (including Canada), none against, and 13 abstentions (including Soviet bloc, Bolivia, Colombia, El Salvador, Ethiopia, and South Africa). The Czechoslovak amendment to the SUNFED resolution was defeated by 7 in favour (Soviet bloc, El Salvador, and Guatemala), 26 against (including Canada and all our usual allies), and 22 abstentions (under-developed countries). The SUNFED resolution presented by the working group (A/C.2/L.212) was passed by 50 in favour, none against, with 5 abstentions.

11. The Rapporteur's report (A/C.2/L.217 and Add. 1-3 copy attached)† rose to haunt us on November 30, when it appeared with a completely unacceptable footnote implying that the Committee as a whole had accepted the Czechoslovak amendment in principle but had merely considered it unsuitable for inclusion in the SUNFED resolution. After *two* days of involved debate and the tabling of no fewer than five amendments to the offending footnote, the Committee adopted by a vote of 43 in favour (including Canada), none against, and 2 abstentions (Brazil and Chile), an amendment suggested by Cuba which amounted to a purely factual statement of what had happened in Committee over the Czechoslovak amendment. At the suggestion of the delegate from Iraq, this passage was moved up into the body of the report and thus ceased to be a footnote.

12. In plenary session on December 7, the United States resolution (A/C.2/L.204) was passed by a vote of 44 in favour, none against, and 6 abstentions. Actually, the

Secretariat counted this vote wrongly, there being 8 abstentions (Argentina, Chile, and Ethiopia in addition to the Soviet bloc). South Africa inadvertently voted in favour instead of abstaining. The main SUNFED resolution was passed by a vote of 46 in favour, none against, and 5 abstentions.

General Comments

13. The final resolution on SUNFED represented a considerable retreat from the original extreme positions of both sides. The under-developed group had wanted immediate action to draft the statute of the fund, the other side a simple reference of the report of the Committee of Nine to governments for their comments. The mandate given Mr. Scheyven by the resolution, though restrictive, does not confine him to the role purely of Rapporteur. Mr. Scheyven visited New York before the end of the session and made it clear that he was not content to be a species of post office. On the other hand, he is perfectly aware that it is important that his mission should not be allowed to become a focus of pressure upon the developed countries and is prepared to conduct himself discreetly. He has plans for visiting Washington, London, Paris, The Hague, the Scandinavian countries, and Ottawa before the end of next April. On balance, while it was an important advantage that the discussions at the eighth session produced an agreed resolution on SUNFED, it seems likely that the terms of this resolution correspond more closely to the position of the United Kingdom, as explained in paragraph 3 above, than to the original stand taken by the United States, Canada, Australia, New Zealand, and South Africa.

SECTION D

SOCIÉTÉ FINANCIÈRE INTERNATIONALE
INTERNATIONAL FINANCE CORPORATION

268. DEA/11423-40

Note

Memorandum

CONFIDENTIAL

INTERNATIONAL FINANCE CORPORATION

Background

1. Prior to the fourteenth session of the Economic and Social Council,[23] Cabinet discussed the Canadian attitude towards the proposed International Finance Corporation (IFC), on which a report had been prepared by the International Bank for Reconstruction and Development. According to the plan suggested the corporation would be capitalized by government subscription and established as an affiliate of the International Bank for the purpose of helping to finance productive private en-

[23] Du 20 mai au 1er août 1952.
May 20—August 1, 1952.

terprise in the under-developed areas through equity investment and through loans without government guarantees.

2. It was considered that a corporation of the kind suggested would fill an important gap in the existing machinery for financing economic development and that if the project were successful it would generate a flow of international private capital in excess of the modest contribution of its own resources. In addition it was thought that in the long run the corporation would contribute to the improvement of the general climate for private international investment both in the creditor and debtor countries.

3. In the light of the above considerations Cabinet authorized the Canadian Delegation to the fourteenth session of ECOSOC to support the proposal for IFC, provided it was regarded favourably by other countries including the United States and United Kingdom. Canadian support was made subject to the following conditions:

1) The corporation would be an affiliate of the International Bank with substantially the same membership and voting powers as obtained in the Bank.

2) The corporation would not establish new international machinery of an elaborate and costly kind but would draw on the technical and administrative staff of the Bank.

3) The total capitalization of the corporation would be limited to the equivalent of $400 million US, to be subscribed by the members in proportion to their subscriptions to the stock of the Bank. The Canadian capital subscription should not exceed $15 million with initial paid-in capital not to exceed $5 million.

4. In the event, the more advanced countries, with the exception of Belgium, were not prepared when ECOSOC met to give immediate support to the proposal for an IFC. The United Kingdom and France had a number of reservations about the practicability and desirability of a corporation of the kind proposed and emphasized that, whatever the merits of the scheme, their Governments, because of general financial stringency, were unable to make a contribution. With the United States, the difficulty arose out of a conflict of views within the United States Government and a section of the US investment community about the usefulness of the corporation. The Council eventually agreed on a resolution requesting the International Bank to examine the project further, to consult with investment communities and member governments and to report back to the Council. In the debate on this resolution, of the developed countries, Canada and Belgium indicated the most favourable reaction to the proposal, and the Belgian and Canadian representatives, while not committing their Governments maintained that the scheme offered considerable hope and should be pursued.

5. The IBRD submitted a further report on the question of creating an IFC to the sixteenth session of ECOSOC. This report summarized views which had been expressed by competent authorities about the practicability of the project which varied from warm support in the under-developed countries to scepticism and hostility from business and financial representatives in some of the industrialized countries. The report underlined the significant fact that "while maintaining their interest in the proposal countries on whom the corporation would necessarily have to depend for the greater part of its funds have not yet indicated that they are ready

to commit themselves to subscribe to its capital". In these circumstances the Bank did not believe that any point would be served by "greater formalization of the project at this time". It was indicated however that the Management would continue to explore the matter and would present concrete proposals when there appeared to be a reasonable prospect that sufficient financial participation would be forthcoming.

6. Having considered the Bank's report the Economic and Social Council passed a resolution inviting the Bank to carry out further studies on the proposal for the purpose of clarifying and analyzing the different points which had been raised about its merits and the basic purposes and functions of the proposed institution, and to report to the Council at its seventeenth session.

Policy Guidance

7. In view of the action taken by ECOSOC in calling for a further report by the International Bank it would appear unlikely that there will be substantial discussion on IFC at the eighth session of the General Assembly. If the issue does arise the Delegation should be guided by the instructions approved by Cabinet prior to the fourteenth session of the Council. These instructions are available in the files of the Permanent Delegation. However, since neither the United States nor the United Kingdom is yet prepared to support the establishment of the Corporation the Delegation should not go beyond indicating our positive interest in the possibility of the eventual establishment of the corporation, provided that further examination of the proposal indicates that it is practicable and that there is sufficient support to warrant its establishment.

269. DEA/11423-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

DESPATCH 116 New York, December 7, 1953

RESTRICTED

Attached hereto is the Final Report, in quadruplicate, on Item No. 26(b) of the Agenda of the Eighth Session of the General Assembly dealing with the "Status of the Proposal for the Establishment of an International Finance Corporation".

DAVID M. JOHNSON
for Chairman

[PIÈCE JOINTE/ENCLOSURE]

Extrait du compte rendu final du point 26 (b)

Extract from Final Report on Item 26 (b)

RESTRICTED December 7, 1953

STATUS OF THE PROPOSAL FOR THE ESTABLISHMENT OF AN INTERNATIONAL FINANCE CORPORATION

. . .

Action at the Eighth Session of the General Assembly

4. There was no separate general debate on the Finance Corporation in Committee Two, since discussion on Item 26(a) and (b) was taken together. References to the Corporation were somewhat perfunctory, and it was obvious that the representatives of the under-developed countries wished to concentrate attention on the development fund, which to them was the really important issue. Finally, on November 5, a resolution on the subject was tabled, with the co-sponsorship of Costa Rica, Cuba, Ecuador, Egypt, Indonesia, Iraq, Pakistan, and Saudi Arabia (A/C.2/L.209 attached).† This resolution contained a general preamble and was thereafter divided into three sections, only the first of which actually concerned the Corporation. Section II referred to General Assembly resolution 622C(VII) and requested ECOSOC at its seventeenth session to examine "with a view to recommending effective means through which external private capital would be made more readily available to under-developed countries", the study being prepared by the Secretary-General pursuant to that resolution on the general role of private external capital. Section III harked back to the prolonged discussions at the seventh session on international price stability and referring to resolution 623(VII) urged member states to create favourable conditions conducive to the development of more liberal trade relations and to adjust as much as practicable any existing disequilibrium in the terms of trade and payments between under-developed and highly developed countries.

5. The general preamble and Section I formed the most important and controversial part of the resolution. After reciting the need for additional capital resources in the under-developed countries in the preamble, the operative part emphasized the beneficial effects of the proposed Corporation; looked forward to its establishment as soon as circumstances would permit; requested the Bank to intensify its activities to secure capital for the Corporation, to analyze the views thereon expressed by governments and private financing institutions, and to report to ECOSOC at its eighteenth session. The ECOSOC was asked to review the Bank's reports with a view to recommending the drafting of the statute of the Corporation and to report thereon to the ninth session of the General Assembly.

6. The views of the industrialized countries on this resolution were broadly as follows. The implication carried in the preamble that international financing should be carried on only through the United Nations was unacceptable, particularly to the United States. The United States would not accept the specific statement (Section I,

paragraph 2) that the Corporation would necessarily have beneficial effects on the mobilization of financial resources. Neither the United States, the United Kingdom, nor France agreed to paragraph 3 Section I which implied acceptance in principle of the Corporation. Paragraph 4 Section I was objectionable because it in fact instructed the Bank to embark upon a fund-raising campaign; paragraph 5 because the drafting of a statute, unless it was to be entirely theoretical paper work, implied an undertaking to establish the Corporation at an early date. The United States particularly objected to the implication in Section II that ECOSOC was competent to "recommend means" through which external private capital might be made more readily available to the under-developed countries. Section III appeared to the industrialized countries to have no logical place in a resolution dealing with the International Finance Corporation, and moreover somewhat prejudged the results of the expert enquiry which, in accordance with the terms of resolution 623(VII) was actually going on during the eighth session of the Assembly. The Canadian position was broadly in agreement, though the delegation was instructed, as mentioned above, not to take the lead in pressing for amendments and in particular was not authorized to take a strong stand on paragraph 3, Section I, which looked forward to the establishment of the Corporation as soon as circumstances should permit. Paragraph 4, Section I containing the instructions to the Bank, paragraph 5 referring to the drafting of a statute for the Corporation, and Section III were the portions of the resolution least acceptable to Canada. The Belgian delegation took the view that as representing a government known to be favourably disposed towards the Corporation, it was in a good position to adopt the role of mediator, and in fact played a very large part in the achievement of the eventual compromise.

7. So far as the under-developed countries were concerned, it early became obvious that Sections II and III were not considered vital, except by a few delegations and, that the most prolonged and difficult negotiations would be those relating to the general preamble and Section I. Delegations of the Soviet bloc, in accordance with the current line of communist propaganda, made a considerable show of support for the liberalization of trade referred to in Section III and objected to the favourable view of private capital financing contained in Section II. Their interventions regarding Section I were few and ineffective, since it has always been well understood that their government would never participate in the operations of any finance corporation that might be established.

8. Debate on the resolution began on November 9. The strategy agreed upon was that there should be a number of interventions indicating that the resolution could be made acceptable to the developed countries provided that various "minor changes" were made, and suggesting that these might be worked out informally. The Canadian representative made a statement on November 10, a copy of which is attached,† drawing attention to our previous support for study of the proposals regarding a finance corporation, suggesting that paragraph 4 Section I should be reworded to bring the instructions to the Bank into line with those contained in ECOSOC resolution 482(XVI)B and that Section III, having no legitimate place in a resolution relating to the proposal for a finance corporation, should be dropped. Belgium, the United States, the United Kingdom and Australia also spoke in the same general way. Unfortunately, the effect of these speeches (excluding, I may

say, the Canadian) was that of too prompt and too glib support for the establishment of a working group, which was proposed by the Belgian representative in the first statement of the day. Delegations of some of the under-developed countries obviously became suspicious that this was a device to stifle debate and there was a long procedural wrangle as to whether a working group would be set up before delegations had had a chance to express their views on the resolution. The Soviet bloc speakers were quick to make capital out of the situation. The Chairman eventually invited those who had suggested oral amendments to the resolutions to submit them in writing. The Committee could then decide whether to refer the texts to a working group or to vote upon them immediately.

9. On November 11, in the morning, amendments to the draft resolution were tabled (A/C.2/L.211 attached)† with the co-sponsorship of Belgium, Denmark, Norway, Sweden and the United States. In accordance with its instructions not to take a lead in pressing for amendments, the Canadian delegation did not co-sponsor. The United Kingdom, in view of fresh instructions to take a more rigid attitude towards the draft resolution, also decided not to co-sponsor. The amendments were intended to modify the resolution in the sense outlined in paragraph 6 above, except that no reference was made to Section III. Czechoslovakia also tabled an amendment to Section II (A/C.2/L.210 attached)† intended to remove the assumption that external private capital is advantageous. The Egyptian delegation indicated that the co-sponsors would wish to table a revised version of their resolution which would take account of the amendments so far suggested. This was done later in the meeting, which was otherwise occupied by general statements on the subject. It seems possible that this revised text A/C.2/L.209 rev. 1 attached)† was tabled, not purely as a genuine compromise offer, but in the hopes that the amendments in A/C.2/L.211 might thereby be ruled out of order. However that may be, the revised text went a considerable distance in attempting to satisfy the requirements of the industrialized countries, particularly in paragraphs 2, 4, and 5 of Section I and in Section III. The question whether the amendments in A/C.2/L.211 were technically out of order did not arise, as a working group was set up at the end of the afternoon meeting on November 11 and it, in the course of its meetings, considered these and a number of other suggestions.

10. Members of the working group, which met under the chairmanship of the Chairman of the Second Committee on November 19 and 20, after the working group on the SUNFED resolution had finished were Australia, Belgium, Brazil, Canada, China, Costa Rica, Cuba, Czechoslovakia, Ecuador, Egypt, France, Greece, India, Indonesia, Iraq, Mexico, Netherlands, Norway, Pakistan, the Philippines, Poland, Saudi Arabia, the USSR, the United Kingdom, the United States, and Yugoslavia. Czechoslovakia withdrew its amendment (A/C.2/L.210) to Section II when the wording as adopted in the final resolution, which does not prejudge the beneficence of private capital, was suggested. The new text of paragraph 4 of Section I and of Section III incorporated by the co-sponsors in their revised text required only minor modifications to make them acceptable to the industrialized countries. The main controversy therefore centred about the paragraph of the general preamble which referred to financing "within the framework of the United Nations"; paragraph 3 which expressed hopes for the early establishment of the Cor-

poration, and, rather surprisingly, on paragraph 2 Section I. The revised draft had changed this wording to read "*Emphasizes* the beneficial effects the proposed Corporation could have on the mobilization . . ." etc. This change did not go far enough for the United States, which insisted on the reading: "*Emphasizes* the beneficial effects the proposed Corporation could have in so far as it promoted, etc". In the course of debate, the United States adviser, apparently unintentionally, used the phrase "in so far as it would promote". This horrible example of slipshod speech was seized upon by the "under-developed" delegations, to whom it seemed to imply a more positive attitude towards the effects of the Corporation than the subjunctive construction "in so far as it promoted". Probably there was, at the back of their minds, an unrecognized confusion with the expression "in as much as it would promote". The United Kingdom adviser took up the cudgels on behalf of the Queen's English and also in order to relegate the Corporation to the subjunctive region his government preferred. The point was argued for two or three hours, until the representative of the United Kingdom was obliged to admit defeat. The last paragraph of the general preamble was eventually amended to read "made available, as appropriate, within or without the framework of the United Nations". The compromise eventually reached on the operative paragraph 3 of Section I referring to the early establishment of the Corporation was the result of proposals from the Belgian representative. A new paragraph was inserted in the preamble to Section I reading "*Bearing in mind* that the consultations and study requested below might indicate the practicability of establishing, etc.". Paragraph 3 was replaced by one which urged governments to give early consideration to the merits of establishing a corporation and to make known to the Bank their views on the possibility of support for it.

11. The resolution drafted by the working group (A/C.2/L.213 copy attached)† was considered by the main committee on November 27 and was adopted by a vote of 46 in favour (including Canada) none against and 5 abstentions (the Soviet bloc). The Polish representative having requested a paragraph by paragraph vote the Soviet delegations abstained on all paragraphs referring to the beneficial effects of private financing and on operative paragraphs 2-4 of Section I. The resolution proposed by Committee Two was adopted in plenary session on December 7 by a vote of 52 in favour, none against and 5 abstentions.

General Comments

12. A comparison of the draft resolution originally submitted by the group of eight countries (A/C.2/L.209) and the text eventually adopted shows that the underdeveloped countries in the long run moved further from their original position than did the industrialized countries. On the other hand, though they did not force a commitment from the industrialized countries either to establish the Corporation or to accept it in principle as something to be established as soon as circumstances may permit, they did succeed in keeping the issue very much alive and in giving a warmer air of benevolence to the United Nations' official attitude on the subject. It is especially fortunate that the compromise was achieved in a way which did not entail the adoption of too rigid positions, at least in public, and did not give the

United States press too much opportunity to represent the result as either a victory or a defeat for United States policy.

SECTION E

TROUPES NATIONALISTES CHINOISES EN BIRMANIE
CHINESE NATIONALIST TROOPS IN BURMA

270. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 361 New York, October 31, 1953

FIRST COMMITTEE — BURMESE ITEM

Reference: See my preceding telegram.†

The general debate on the Burmese item began this morning, Saturday, with statements from the representatives of Burma, China, and the US. The debate will be resumed on Monday afternoon.

2. The three speakers devoted considerable attention to the release issued by the Joint Military Committee in Bangkok on October 29 last to the effect that the Republic of China has given assurance that about 2,000 foreign forces together with their dependents will be evacuated from Burma; that all foreign forces refusing to leave Burma under this plan will be disavowed; and that China will not help those remaining with any supplies.

3. The Burmese delegate (U Myint Thein) made a good statement. He reviewed developments since the last General Assembly in a pessimistic vein and made a number of points including the following:

(a) Burma is not enthusiastic over the plan announced on October 29 to remove 2,000 men. At best, this is looked upon as a first instalment. Burma looks upon the arrangement as a token removal which may avoid General Assembly action but which will leave the Chinese army in Burma more or less intact. Burma holds Chiang Kai Shek and General Li Mi morally bound to remove the whole 12,000 or at least to disarm those who were locally recruited.

(b) US moral pressure on Formosa is not enough. A US threat to oust Nationalist China from its seat in the United Nations or to suspend US economic aid would cause the Chinese troops in Burma to disappear over night.

(c) Burma, however, is not submitting a resolution. It will, Thein said, be necessary for the Committee "to think of ways and means of implementing the mild resolution which the 7th Assembly in its wisdom adopted".

4. The Chinese representative (Tsiang) naturally attached great importance to the undertaking of China referred to in paragraph 2 above. He said that these obliga-

tions had been accepted without any qualification. Tsiang also intimated that the figure of 2,000 was never intended to serve as an upper limit. More will be evacuated if the Government of Burma or the UN can succeed in persuading them to go to Formosa. Though Nationalist China will accept those willing to be evacuated, it will not coerce anyone unwilling to go to Formosa.

5. The US delegate (Carey) reviewed developments since the resolution of April last, and made a number of points including the following:

(a) The US deplores the presence of unwanted foreign troops in Burma.

(b) He considers the agreement for the evacuation of 2,000 troops as an important step. The movement of troops will begin next week. Carey expressed the hope that personnel beyond the estimated 2,000 would be persuaded to quit Burma. He acknowledged, however, that the Chinese Government has small influence over the majority of these forces.

(c) In the view of the US Government, the removal of all foreign forces amenable to the influence of the Chinese Government constitutes substantially the limit of what can be achieved by international action and peaceful methods.

(d) Hence, while regretting the continuance of unwanted foreign forces on Burmese soil, the US Government considers that it is not in the power of other governments to secure complete evacuation by peaceful means.

(e) US interest in this problem will not cease with the evacuation of the 2,000 troops. The US will then consult with the interested parties regarding what further action might usefully be taken.

(f) The US did not suggest any resolution.

6. Copies of these three speeches will go forward by bag.†

271. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 378 New York, November 3, 1953

CONFIDENTIAL

BURMESE COMPLAINT REGARDING AGGRESSION BY FORMOSA

Repeat Washington No. 136.

The debate on the complaint by the Union of Burma was resumed yesterday afternoon after the meeting of the general committee. Selwyn Lloyd stated that the resolution of the last session is still in effect and that the continued presence of Nationalist Chinese forces in Burma is intolerable. He was glad, however, to learn of the plan to withdraw a portion of these troops and grateful to the governments concerned who had arranged for this plan. Although the evacuation of two thousand troops was a small proportion of the twelve thousand involved, he hoped that

the evacuation of this hard core would enable Burma to deal more effectively with the remainder. Much, however, would depend on the carrying out of the promise to stop supplies to the remaining troops. He pointed out that even the stopping of supplies would not solve the problem as the Nationalist troops have ample funds through the illegal traffic in opium and wolfram. The moral responsibility of the Chinese Nationalists does not terminate with the evacuation of two thousand and the Nationalists should make clear their intentions in regard to a more satisfactory solution of the problem.

2. Thailand, New Zealand, Netherlands, Indonesia and Sweden spoke along similar lines. The representative of Indonesia, however, was rather bitter in his condemnation of the aggressive act of the Chinese Nationalists who had maintained forces in Burma for three years in violation of Burmese territorial integrity. These forces had not only fought against the forces of Burma and threatened the peace of the area, but they had received direction from Formosa. The Nationalists had not implemented the resolution adopted by the Assembly. He accused Dr. Tsiang of having misled the committee as it was an open secret that General Li Mi had been continuing to plot aggression in Burma. He challenged the Nationalists to issue an official order to the remnant troops to evacuate or be disarmed. It would be a dangerous precedent if the Chinese Nationalists were released from their responsibilities on the excuse that their troops were irregular guerillas.

3. The debate will continue tomorrow. We shall place Canada on the list of speakers. This can be cancelled if you consider it unwise for us to participate in the debate. We have learned from the Burmese that they were pleased with the attitude taken by Selwyn Lloyd and that the best they can hope for is that last session's resolution will continue to be in effect and that the action taken by the Nationalists shall be considered only as a preliminary step in its implementation.

272. DEA/6676-40

Le secrétaire d'État aux Affaires extérieures au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 191 Ottawa, November 4, 1953

CONFIDENTIAL. IMMEDIATE.

BURMESE COMPLAINT REGARDING AGGRESSION BY FORMOSA

Reference: Paragraph 3 of your Telegram No. 378 of November 3, 1953.
Repeat Washington (Important) No. EX-1890.

Following from the Under-Secretary, Begins: Since the Seventh Session of the Assembly, in its resolution of April 23, 1953, unanimously condemned the presence of these "foreign forces" in Burma and since, although the Chinese Nationalists have promised to go some piece to implement the Assembly resolution, no evacuation has as yet taken place, it might be appropriate to make a statement along the lines outlined in paragraph 14 of the Commentary article.† If, as you suggest, Selwyn Lloyd's rather strong speech was welcomed by the Burmese delegate, we, in our turn, should give moral backing to the Burmese delegate, even if this involves some criticism of the Republic of China for not yet having taken action to implement the evacuation. You will recall that U Myint Thein appreciated being informed that Canada would have abstained on the original Burmese resolution, which condemned Nationalist China of aggression. We believe that we should adopt at least as strong an attitude in support of Burma as heretofore.

Your speech should be couched in such a way as to encourage the Chinese Nationalists to continue implementation of the evacuation arrangements as rapidly as possible and to discourage them from lapsing into inaction again, once discussion of the Burmese Item has been completed in the Assembly. We think that your speech might include a word of commendation for the mediation efforts of third parties to the dispute, especially those of the United States. While — on balance — we think such a speech on our part might be desirable you may wish to confirm with the Minister when he is in New York and to ascertain his reaction to our participation in the debate on this subject. Ends.

273. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 386 New York, November 4, 1953

FIRST COMMITTEE — BURMESE ITEM

Repeat Washington No. 141.

1. Mr. Côté delivered the following statement this morning. Text begins:

When this question was under consideration by the First Committee in April during the seventh session of the General Assembly, my delegation expressed the opinion that the Nationalist forces under General Li Mi's Command, numbering approximately twelve thousand, had maintained themselves in Burma for three years, contrary to International Law, and had refused to withdraw or to be disarmed and interned. My government agreed that this placed the Burmese Government in an intolerable position. We expressed our sympathy for their predicament and our greatest respect for the restraint which had been shown in bringing their case to the attention of the United Nations only after several years of negotiations outside which had failed to produce a solution.

At that time we felt that there was a good chance of reaching an agreement with the Government of the Republic of China to use its influence to secure the withdrawal of these foreign troops from Burma. We expressed the hope that the Burmese Government would not press for a formal condemnation of the Nationalist Government of China. We were prepared to support a resolution deploring the activities on Burmese soil of the forces under General Li Mi's command and we felt that a practical solution could be reached by negotiation between the parties directly concerned with such assistance as third parties might be in a position to give.

On that occasion, the distinguished representative of Burma did not oppose the modification of his original proposal. In our opinion, he thereby exhibited the restraint which we hoped would lead to the peaceful solution of the problem. When the distinguished representative addressed this committee during the present session, therefore, it gave us considerable concern to learn that he was forced to report that "no solution has yet been reached". It disturbed us a great deal to learn from him that the air traffic bringing in supplies to the forces of General Li Mi had not ceased but that planes continued coming from Formosa through Thailand bringing in supplies. The evacuation schemes put up by the Burmese were apparently not being implemented. It gave us cause for most serious concern to learn that it had become necessary for the Burmese, after becoming convinced that nothing would come of the talks, to resort to bombing the hide-outs and strongholds of the Chinese Nationalist forces including Monghsat.

On the other hand, we have been pleased to note that, due to the efforts of the United States and Thailand, sufficiently acceptable assurances have now been

given regarding the evacuation of some two thousand troops and their families. The Burmese have, therefore, ceased their operations against the foreign troops until the 15th of November, in anticipation of a genuine first step being taken by that time in solution of this problem. We agree with the distinguished representative of Burma that the evacuation of two thousand troops does not constitute a complete solution of the problem and that the Republic of China cannot disclaim further responsibility. We agree that there is a moral duty at least to disarm the remaining forces.

In expressing this attitude, we are not unaware of the immense difficulties of the situation. The original forces which entered Burma from Chinese territory have been allowed to increase in numbers and to continue occupation of Burmese territory encouraged and supplied during a period of several years. The distinguished chairman of the Chinese delegation has himself pointed out to us, in his intervention in this debate, that in dealing with General Li Mi he was convinced that he was "face to face with a fanatic". The fanatic General is apparently convinced that it is the mission of him and his army to save Burma and all of South-East Asia. It is most unfortunate that this fanatic was kept in command so long and that a situation like this should have been allowed to develop and that steps were not taken during the time when it could have been dealt with more easily and effectively. Facilities were available but no action was taken.

The problem before us now, however, is how to deal most effectively with an intolerable situation which could threaten the peace of the whole area. It is the opinion of my delegation that genuine preliminary steps are being taken at the present time. We note with satisfaction that the distinguished representative of the United States has stated that the interest of his government will not cease with the evacuation of these several thousand troops and that consultations will continue regarding what further action might usefully be taken.

My delegation has been impressed by the conciliatory and helpful attitude expressed by the distinguished chairman of the Chinese delegation as well as by the patience and moderation of the Burmese Government. We have confidence that the efforts of the United States and Thailand will yield results. We feel that due to present developments it would be appropriate for this committee to note that the position taken by the General Assembly in April last still stands. We could note that effective preliminary steps are being taken at the present time. We could emphasize the necessity of finding a solution satisfactory to Burma and express the hope that Burma will be able to report to the General Assembly at an early date that our resolution of April has been satisfactorily implemented. Text ends.

274. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 393 New York, November 4, 1953

CONFIDENTIAL

BURMESE COMPLAINT AGAINST NATIONALIST CHINA

Repeat Washington No. 142.

After the statement by Canada during the debate this forenoon, the United States delegate made a number of important announcements relating to implementation of the evacuation of Chinese troops from Burma. The evacuation is about to get underway. Troops will be flown to Formosa in non-stop flights from Thailand. Burmese observers left today for the airport from which these flights commence.

2. While the debate was in progress this afternoon, we were approached by Krishna Menon, asking us to co-sponsor a motion tomorrow calling for adjournment of debate until November 16. We have agreed to this request. The wording of the motion is given in the following paragraph. This will make possible announcements of concrete results in evacuation plan which may have an important influence on attitude of the committee.

3. "The First Committee

Having considered the report of the Government of the Union of Burma contained in Document No. A/2468, the letter dated 26th October 1953, on the same subject contained in Document No. A/C.1/L.69 and the letter dated 29th October 1953, from the Chairman of the United States Delegation (A/C.1/L.71).

Decides under Rule 75 of the Rules of Procedure to adjourn further consideration of this question by this committee at the present session to a date not earlier than November 16, 1953."

4. The highlight of this afternoon's debate was a very clever extemporaneous statement by Dr. Tsiang. Dr. Tsiang reserved the right to make further replies when the debate is closed tomorrow. He held the close attention of the committee in explaining that he and his government still felt that General Li Mi was the key to the solution of the problem and that the only way to deal with him was through persuasion — the Chinese way.

5. The general debate will be closed tomorrow after statements by India and Burma unless the representative of China also desires to reply.

275. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 402 New York, November 5, 1953

FIRST COMMITTEE — COMPLAINT BY BURMA AGAINST NATIONALIST CHINA

Reference: Our telegram No. 393 of November 2.
Repeat Washington No. 144.

The debate on this item was concluded for the time being this forenoon after statements by India, Burma and China.

2. The representative of China cancelled the good impression he had made on the committee yesterday by attacking the neutralist attitude of Burma and its attempts to court the favours of Peking Communists.

3. We moved the adjournment of further consideration of this question to a date not earlier than November 23. Our original idea was to name November 16 as the appropriate date (reference my telegram No. 393 of November 4, paragraph 2). After consultation with other delegations, however, it was agreed that November 23 would allow more time for the Americans to implement the resolution of last April in carrying out present evacuation plans. Our resolution was carried by a vote of 50 in favour, 3 against, including China, and 6 abstentions, including the United States. In explaining his abstention, the American delegate indicated his government was participating in the work of implementing the previous resolution and would continue to be available for further attempts to solve the problem.

4. Copies of the statement made by Mr. Côté in proposing the motion to adjourn further consideration (document A/C.1/L.73 of November 5, 1953) are being forwarded to you by bag.†

276. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 580 New York, November 25, 1953

RESTRICTED

BURMESE COMPLAINT AGAINST NATIONALIST CHINA

Repeat Washington No. 193.

Myint Thein informed us today that the Burmese complaint against Nationalist China would probably be reconsidered by the First Committee on Friday. It is the plan to have India sponsor a resolution which would recall the resolution of last April and call upon those responsible for evacuating the Nationalist troops from Burma to complete the undertaking as soon as possible.

2. Myint Thein expressed the hope that Canada would support such a resolution and that consideration might even be given to co-sponsoring the resolution. He was told that we would probably support the resolution. He will give us a copy of the resolution as soon as it is drafted.

277. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 623 New York, November 30, 1953

FIRST COMMITTEE — BURMESE ITEM

Reference: Your telegram No. 279 of November 30.†

In our telegram No. 602 of November 27† we informed you that we were co-sponsoring a resolution with India on this item. The other co-sponsors are Australia, Indonesia, New Zealand, Norway, Sweden and the United Kingdom. The text of the resolution is as follows: Text begins:

The General Assembly,

Having considered the report dated 31st August, 1953 (A/2468) of the Government of the Union of Burma on the situation relating to the presence of foreign forces in its territory,

1. *Notes* that limited evacuation of personnel of these foreign forces has begun as from 7 November, 1953;

2. *Expresses concern* that few arms have been surrendered by them;

3. *Appreciates* the efforts of the United States of America and Thailand in striving for the evacuation of these forces;

4. *Urges* that efforts be continued for the evacuation or internment of these foreign forces and the surrender of all arms;

5. *Reaffirms* General Assembly resolution 707(VII) of 23 April, 1953 and in particular;

6. *Urges* upon all states to refrain from furnishing any assistance to these forces which may enable them to remain in the territory of the Union of Burma or to continue their hostile acts against that country;

7. *Invites* the Government of the Union of Burma to report on the situation to the General Assembly as appropriate. Text ends.

278. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 637 New York, December 2, 1953

CONFIDENTIAL. IMPORTANT.

BURMESE COMPLAINT AGAINST NATIONALIST CHINA

Repeat London No. 28; Washington No. 209.

Myint Thein has informed us that he fears an amendment will be made to the resolution we are co-sponsoring with other Commonwealth delegations. He believes that Thailand backed by the United States and perhaps Nationalist China would like to see the joint Bangkok Military Committee, which negotiated plans for evacuating Chinese troops from Burma, given some status by the General Assembly and requested to take responsibility for carrying out plans of evacuation. Burma is very much opposed to any such amendment as it would tie the hands of the Burmese Government in making further direct approaches to the United Nations if satisfactory progress is not continued. It would also tie the hands of the Burmese in taking direct action against the Nationalists in Burma if this should again become necessary. Finally, Burma has no diplomatic relations with Nationalist China and would be embarrassed to be required to have permanent representatives on a committee with the Chinese Nationalists. Myint Thein could not give very specific information regarding the nature of the amendment but hoped that Canada would not accept any such proposal.

2. As soon as we are informed of the exact nature of this amendment we shall request your comments.

279. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 640 New York, December 2, 1953

CONFIDENTIAL. IMPORTANT.

BURMESE COMPLAINT AGAINST NATIONALIST CHINA

Reference: My teletype No. 637 of December 2.

An amendment (A/C.1/L.92) in paragraph 4 below, has been circulated by Thailand and the United States.

2. In spite of being informed of United Kingdom opposition to sections one and three of this amendment, the amendment was distributed. The United Kingdom is somewhat annoyed and have instructions that if the United States will not agree to withdraw sections one and three, they must vote against these parts of the amendment.

3. Our inclination is to adopt the same attitude as the United Kingdom. May we have your instructions. Myint Thein hopes that the Burmese, who have been so patient in this whole affair will not be bound by sanction of the United Nations to co-operate with the Joint Military Committee in Bangkok on which sits a representative of Nationalist China.

4. The amendment reads as follows:

"1. In the paragraph of the preamble, insert "and the reports of the Joint Military Committee in Bangkok" between the words "Union of Burma" and the words "on the situation";

2. In operative paragraph 4, insert "on the part of those concerned" between the word "efforts" and the words "be continued";

3. In operative paragraph 7, insert "and the Joint Military Committee in Bangkok" between the words "Union of Burma" and the words "to report"."

280. DEA/6676-40

Le secrétaire d'État aux Affaires extérieures à la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs to Delegation to the General Assembly of the United Nations

TELEGRAM 288 Ottawa, December 2, 1953

CONFIDENTIAL. IMMEDIATE.

BURMESE COMPLAINT AGAINST NATIONALIST CHINA

Reference: Your teletype No. 640 of December 2.

Following from the Acting Under-Secretary.

We cannot see that the proposed US amendments do more than give some status to the Joint Military Committee in Bangkok.

2. We do not consider that their adoption would, in any way, prejudice Burma's right to report directly and appeal to the General Assembly which we consider important. Further, the resolution, as it now stands, does not preclude Burma from taking direct action against the Chinese Nationalists should there be too long a delay in evacuation. You might wish to consider making these two points in any statement on the subject.

3. As you know, we are pretty much dependent on the United States for factual information on this evacuation and rely on her to combine pressure on the National Government of China with provision of the necessary transportation facilities. In these circumstances, now that the amendments have been circulated, we are concerned lest a rebuff to the natural desire of the United States to have some status given to the Bangkok Committee should, in any way, adversely affect their willingness to provide the principal motive power to this evacuation and their willingness to supply us with information about it. We consider that a continuing effort will be required to complete the evacuation of the 2000 and their arms. Then it will be necessary to consider what can be done about the remaining forces, which are likely to be a problem, even if officially disowned by the National Government of China.

4. We think it desirable that the Burmese should co-operate with the Bangkok Committee. We set no great store by the Burmese reluctance to be contaminated through association with the Chinese Nationalists in the Bangkok Committee. You might find occasion to point out informally to the Burmese representative that Mr. Dean is required to sit down in Panmunjom to discuss arrangements for the Korean Political Conference with North Korean and Chinese Communist representatives whom his Government does not recognize.

5. Your telegram does not explain the reasons for the United Kingdom opposition to these proposed amendments. We would be grateful if you would discuss the views expressed above with the other co-sponsors of the resolution. Should a vote

be brought on before you have time to consult us further we are inclined to think that you should support the proposed US amendments.

281. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 644 New York, December 2, 1953

SECRET. IMPORTANT.

BURMESE COMPLAINT AGAINST NATIONALIST CHINA

Reference: My telegram No. 640 of December 2.
Repeat Washington No. 210; London No. 29.

While discussing the Korean problem with Menon this afternoon, Myint Thein joined us and expressed his attitude to the American amendments to the resolution. He was evidently quite agitated. In his presence Menon said that Burma had wanted for some time to "withdraw" from the Assembly and had been persuaded to remain only as a result of Indian influence. Myint Thein then said that he had spoken with some of the Americans but had been unable to persuade them to withdraw sections 1 and 3 of their amendment. He was now exasperated and was encouraged by Menon to tell Lodge that he simply could not accept the amendments. Menon stated that he would not "pull his punches" in expressing in the Assembly his condemnation of American attempts to force "us Asians" to comply with their demands to the last detail. Myint Thein stalked off determined to put his position boldly to Lodge.

Note: Passed to London December 3, 1953.

282. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 653 New York, December 3, 1953

CONFIDENTIAL. IMPORTANT.

BURMESE COMPLAINT AGAINST NATIONALIST CHINA

Reference: Your teletype No. 288 of December 2.
Repeat Washington No. 215; London No. 33.

In conversations with United Kingdom and United States advisers, we have learned that an amendment is being worked out which will not make direct reference to the Joint Military Committee in Bangkok and which it is hoped will be acceptable to both Thailand and Burma.

2. Allen stated the United States felt that the delegates of both Burma and Thailand had been "rather childish" in regard to the amendment. Thailand had insisted that the Bangkok Committee should be mentioned in the resolution. Burma insisted it should not. The United States is now trying to find words which will satisfy both parties by not mentioning the Bangkok Committee but by giving Thailand credit for the part it is playing in the work of evacuation.

3. We shall report the new draft amendment later to-day or as soon as it is available.

283. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 656 New York, December 3, 1953

CONFIDENTIAL. IMPORTANT.

BURMESE COMPLAINT AGAINST NATIONALIST CHINA

Reference: My teletype No. 653 of December 3.
Repeat Washington No. 217; London No. 34.

The present form of the amendment to the resolution contained in A/C.1/L90 of November 27, which it is hoped will be acceptable to all of the co-sponsors of the resolution is contained in paragraph 2.

2. (a) Add at the end of the preamble the following words: "and all other information on the subject laid before the Assembly"; (this takes place of Section 1 of the amendment originally proposed by Thailand and the United States).

(b) Section 2 of the original amendment is unchanged.

(c) Instead of Section 3 of the original amendment, substitute the following: "invites the governments concerned to inform the General Assembly of any action they have taken to implement the present resolution".

(d) Change the first word of Section 7 of the original resolution from "invites" to "requests".

3. If Menon is prepared to accept this amendment, the co-sponsors will probably have no objection. If Menon does object, it will be necessary to move this amendment and to have the present form of the above amendment voted upon. We assume that your teletype No. 288 of December 2 authorizes us to support this amendment.

284. DEA/6676-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 294 Ottawa, December 4, 1953

CONFIDENTIAL. IMMEDIATE.

BURMESE COMPLAINT AGAINST NATIONALIST CHINA

Reference: Your teletypes Nos. 653 and 656 of December 3.
Repeat Washington No. EX-2080.

Following from the Acting Under-Secretary, Begins: We assume that para 2(c) of your teletype No. 656 should read "Section 3 of the original *resolution*" not repeat not "of the original *amendment*". If our interpretation is correct, all specific mention of Thailand and the United States in the resolution has been eliminated. This should soothe the sensibilities of the Burmese while, at the same time, it does give indirect sanction to the unnamed Joint Military Committee in Bangkok to report on the progress of their evacuation plan to the General Assembly.

2. The change mentioned in para 2(d) of No. 656 seems to be sensible. "Requests" seems to be a more operative word than "invites" and thus grants specific permission for the Burmese Government to report on the situation to the Assembly, as they deem appropriate. This substitute wording should also render groundless any Burmese fears that they would be vetoed, from making any further reports to the United Nations, by the Joint Military Committee. Furthermore, any sense of dual or split responsibility in reporting by Burma and the Bangkok Committee has been erased from Section 7 of the resolution.

3. In reference to para 3 of your No. 656, we would suggest the following procedure:

(a) If Menon is prepared to accept the revised amendment, you should support this resolution which Canada has co-sponsored, as amended;

(b) If India objects to this amendment but both the United Kingdom and the United States support it, you should vote for the amendment;

(c) If India and the United Kingdom oppose the amendment, while the United States favours it, you may abstain from voting on the amendment if you consider that support for it would prejudice our relations with Burma and India on this case. In any case you should vote for the resolution as a whole, regardless of whether the amendment is carried or not. Message ends.

285. DEA/6676-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 295 Ottawa, December 4, 1953

CONFIDENTIAL. IMPORTANT.

BURMESE COMPLAINT AGAINST NATIONALIST CHINA

Reference: Your telegram No. 644 of December 2.

1. The outbursts of Myint Thein and Menon seem to us pretty unreasonable, although we should be grateful for any explanatory material from you which would justify such strong opposition to the American amendments. We wonder what the Burmese might expect to accomplish by this display of petulance. After all, Burma tried for several years to deal directly with the problem of Chinese Nationalist troops in her territory. It was only when she realized that she could not solve the problem by herself that she appealed to the United Nations. It must be admitted that the international public opinion mobilized by the General Assembly last spring did assist in creating an atmosphere conducive to the settlement of this problem. Yet the General Assembly resolution was only given effect by the good offices of the United States and Thailand through the Joint Military Committee in Bangkok. The United States combined persistent pressure on the Nationalist Government in Formosa with readiness to facilitate the physical movement of the evacuees.

2. The Burmese have been among those powers which have supported the concept that the United Nations should be a universal organization with room for all applicant governments. They have not been strong supporters of the United Nations serving as an executive agency in areas like Korea or in the Collective Measures Committee. They cannot expect the United Nations to serve effectively in an executive capacity in the solution of their problems and not in the solution of problems in other areas. At this stage in the development of the international community we think that the United Nations has done pretty well in mobilizing international public opinion in support of Burma's complaint. But we must also recognize that the

United Nations is relying in this instance on the good offices of the United States and Thailand to give effect to the General Assembly Resolution. Without their efforts it would be just another exhortation to do good but with little in the way of practical results.

3. For these reasons we find it a little difficult to understand the strong United Kingdom opposition to what appear to us to be mild United States amendments. And we think Mr. Menon is perhaps a little quick to take offence at what he alleges to be "American attempts to force 'Us Asians' to comply with their demands to the last detail." After all, who is getting such results as have been achieved in this difficult business? Let the Indians project their experience in trying to be helpful in solving the Korean prisoner-of-war problem against the Bangkok screen and they might have more sympathy for what the Americans are trying to do.

4. Could you let us know when you expect this item to come up for debate. Ends.

286. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 664 New York, December 4, 1953

IMPORTANT

BURMESE COMPLAINT AGAINST NATIONALIST CHINA

Reference: My telegram No. 644 of December 2.[24]
Repeat London No. 35; Washington No. 220.

My telegram under reference gave to you a preliminary report on the new form of amendments to the original resolution (A/C.1/L.90 of 27 November 1953). We have now obtained the final form of these amendments which have been accepted by all co-sponsors of the original resolution. These amendments make changes in the preamble and sections 4 and 7 and add a new section 8. The revised wording of the original resolution and section 8 are quoted in paragraph 2.

2. "*Having considered* the report dated 31 August 1953 (A/2468) of the Government of the Union of Burma on the situation relating to the presence of foreign forces in its territory, and all other information on the subject laid before the Assembly,

"4. *Urges* that efforts be continued on the part of those concerned for the evacuation or internment of these foreign forces and the surrender of all arms;

"7. *Invites* the governments concerned to inform the General Assembly of any action that they have taken to implement the present resolution;

---

[24] Il s'agit du télégramme 640, document 279.
The telegram referred to is 640, Document 279.

"8. *Requests* the Government of the Union of Burma to report on the situation to the General Assembly as appropriate."

3. These revisions and the addition are acceptable both to Thailand and Burma. It is anticipated that the resolution will be passed this morning.[25]

287. DEA/6676-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 687 New York, December 9, 1953

BURMESE COMPLAINT AGAINST NATIONALIST CHINA

Repeat Washington No. 228; London No. 41.

The resolution from the First Committee dealing with Burmese complaint against Nationalist China was adopted by a vote of 56 in favour, 0 against, 1 abstention (Afghanistan) and China not participating in the vote.

2. China made a brief statement in which hope was expressed that the total number which may be evacuated may exceed 5,000. Dr. Tsiang appealed to Burma to co-operate and extend the time limit of the "cease-fire" so that these plans which could not be carried out by December 15 would be given ample opportunity to be completed. Poland made accusations against the KMT aggression and launched into a long tirade about the Polish ship held in Formosa. The United States made a statement reporting progress. It was predicted that more than 2,000 troops will have been evacuated by the end of this week.

3. Burma stated that while not "enamoured with the resolution" he would pledge his support because Burma is dedicated to peace. He added that Formosa stands morally condemned for the aggression which continues to be committed in Burma. He referred to the large number of lame, infirm, very young and "deadwood" being evacuated and stated that even if 3,000 or more were evacuated under these conditions, especially since their arms were being left behind in the jungle, the situation would continue to be as bad as before. He expressed the hope that the Generalissimo would realize this and take effective measures to order all Nationalist troops out of Burma instead of permitting them to re-organize and recoup as they were doing at the present time.

4. The Soviet bloc voiced their objection to the third section of the preamble of the resolution which expresses gratitude to the United States but decided, in spite of this objection, that they would support the resolution.

---

[25] Le 4 décembre, la Première Commission adopta le projet d'une résolution conjointe, par 51 voix (y compris celle du Canada) contre zéro, avec 6 abstentions.
On December 4 the First Committee approved the joint draft resolution by a vote of 51 in favour (including Canada), none against, and 6 abstentions.

5. Myint Thein of the Burmese delegation won the admiration of nearly all delegates by the conciliatory and statesmanlike manner in which he pleaded his case before the First Committee on this difficult question.

SECTION F

POLITIQUE À L'ÉGARD DU PERSONNEL
PERSONNEL POLICY

288. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

CONFIDENTIAL [Ottawa], November 9, 1953

. . .

7. *Personnel Policy — The Administrative Tribunal's Awards and the Secretary-General's Report*

United Nations Division: What promises to be an extremely controversial issue, United Nations personnel policy, will be debated by the Fifth Committee on or about November 18. The Secretary-General has now issued his report on the subject. It will probably be considered by the Committee before the most contentious problem of all, the supplementary appropriation for awards totalling $189,370 made by the Administrative Tribunal to dismissed United Nations personnel. This order of proceedings has been suggested by Mr. Selwyn Lloyd of the United Kingdom and will probably be followed despite United States opposition.

In his report the Secretary-General asks the General Assembly to appropriate the money for the compensation awards and suggests that the staff regulations be amended to facilitate future dismissals. The suggested amendment would enable the Secretary-General to dismiss permanent employees "for the good of the United Nations." This is a power he can now exercise only against temporary employees. Another suggestion in the report is that staff regulations should be changed to prohibit any form of political activity by United Nations employees except voting and such a largely non-political activity as serving on a school-board or similar organization. The Secretary-General states his opinion in the report that it is a "serious matter" for an employee of the United Nations to cite the Fifth Amendment of the United States Constitution in order not to answer questions asked in investigations of subversive activities. The report suggests, however, that such an employee should not be dismissed without further investigations. If these provide an explanation which removes the unfavourable implications of reliance on the Fifth Amendment, the dismissal would not be justified on the basis of "standards proper to the United Nations".

Consultations on personnel policy at the General Assembly are now taking place among Commonwealth representatives and with the United States delegation. The awards at the Administrative Tribunal are a cause of great concern, because the United States attitude towards them is contrary to that of some at least of the Commonwealth countries. The United States representatives have provided the Canadian delegation in confidence with a draft of the statement to be made by their delegate on the Fifth Committee. In it the United States call upon the Committee to reject entirely the awards made by the Administrative Tribunal on the grounds that it exceeded its jurisdiction and substituted its judgement for that of the Secretary-General concerning what standards of conduct are required of United Nations personnel. Specifically, the United States statement maintains that in 8 out of 11 cases in which awards were made, the Secretary-General was correct in dismissing the employees summarily on the grounds of serious misconduct and that his decision could not be questioned by the Tribunal except on the grounds of bad faith, arbitrariness or failure to follow the proper procedure. The United States also supports the Secretary-General's decision in the other three cases and states that it is the duty of the General Assembly to review and reject these awards in passing an appropriation. This does not constitute an appeal contrary to the Statute of the Tribunal, since it is merely a review by the superior body of a decision made by a subordinate tribunal, and not an appeal by a party to the dispute from the decision of a court of coordinate authority.

The United States statement on the awards was summarized in a memorandum presented to the Department on November 5 in a formal démarche asking for our support for their position. Since Canadian policy in the matter is now under active consideration, no commitments were made.

. . .

289. DEA/5475-H-40

Le secrétaire d'État aux Affaires extérieures à la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs to Delegation to the General Assembly of the United Nations

TELEGRAM 221 Ottawa, November 12, 1953

CONFIDENTIAL

AWARDS OF THE UNITED NATIONS ADMINISTRATIVE TRIBUNAL AND THE SECRETARY-GENERAL'S REPORT

Reference: Our telegram No. 206 of November 7, 1953.†

An informal ad hoc committee met here yesterday to consider the subjects under reference. The meeting was attended by Pollock[26] of Finance, Ault[27] of the Civil Service Commission and members of this Department including Hemsley and Summers.[28] The United States stand that the awards of the Administrative Tribunal should be reviewed and rejected by the Assembly was discussed with the aid of a preliminary Legal Division memorandum concerning its legal implications. You will have received a copy of this memorandum from Summers and a final slightly revised opinion is being forwarded to you by bag.†

2. The Committee concluded that on legal and administrative grounds Canada could not support the United States position in this matter. It was thought that under the existing Statute and regulations it was by no means clear that the United States contention that the Tribunal had exceeded its jurisdiction in overruling the Secretary-General was valid. The Tribunal clearly had competence in disciplinary actions which necessarily involved it in interpreting the staff regulations to determine whether the contracts had been observed, which was the basis of the Tribunal's jurisdiction under Article 2 of the Tribunal Statute. Moreover, article 2(3) of the Statute provided that "in the event of a dispute as to whether the Tribunal is competent, the matter shall be settled by the decision of the Tribunal." In any event, even if the Tribunal had exceeded its jurisdiction in some respects, the Committee was clearly of the opinion that it would be improper for the Assembly to review the Tribunal awards. Although the United States contended that a review by the Assembly would not strictly speaking be an appeal, the Assembly clearly had not the legal right to review the Tribunal's judgements merely because it had the right to amend the Statute. A review on these grounds would in fact constitute a retroactive

[26] Sydney Pollock, Direction des relations économiques internationales, ministère des Finances.
Sydney Pollock, International Economic Relations Division, Department of Finance.

[27] O.E. Ault, directeur du recrutement, Commission du service civil.
Dr. O.E. Ault, Director of Personnel Selection, Civil Service Commission.

[28] G.B. Summers, Direction des Nations Unies; représentant suppléant, délégation à la huitième session de l'Assemblée générale des Nations Unies.
G.B. Summers, United Nations Division; Alternate Representative, Delegation to Eighth Session of General Assembly of United Nations.

action, which was contrary to well established principles of justice. Nor was the Assembly competent to review the awards, since it was a legislative not a judicial body. It was thought that such a review might set a bad precedent for the future which would involve the Assembly in grave administrative difficulties. The role of the Secretariat, as an international Civil Service, should be protected by legal process and not left to the whims of the majority vote in the Assembly.

3. The Committee concluded, therefore, that unless some acceptable compromise situation was possible of achievement, Canada's position should be similar to that of the Secretary-General. We should support the Tribunal's awards but, at the same time, support amendments to the Staff Regulations which would give the Secretary-General wider powers of dismissal and clarify the scope of his discretion and the Tribunal's jurisdiction. However, the Committee thought that, for three main reasons, it would be undesirable for Canada wholly to oppose the United States and to vote for an appropriation to pay the awards *in toto*. (1) Some genuine doubts about the manner in which the Tribunal exercised its jurisdiction in certain respects, (see Legal Division memorandum†); (2) stronger doubts about the way the Tribunal assessed the amounts of the individual awards (see memorandum†); (3) the general political undesirability of complete disagreement between the free nations on this issue and the specific damage which would be done to relations between the United States and the United Nations as a result of the General Assembly overriding United States opposition and voting large awards to United States citizens who might have been and might still be Communists possibly engaged in subversive activities.

3. For these reasons the Committee endorsed the suggestion in the memorandum that the quantum of the awards, but not the judgements themselves, should be reviewed, not by the Assembly which as a legislative body was unsuited to the task, but by an ad hoc judicial committee appointed by the Assembly. (It was thought that it would be useless to refer the awards back to the Tribunal itself because it would be unlikely to accept such a reference). The Committee thought that a review by such an ad hoc judicial body would be a useful compromise because it would meet the United States desire to have the awards reviewed without, at the same time, impugning the jurisdiction of the Tribunal. It would avert a head-on collision with the present entrenched United States position and would probably result in recommendations for a reduced scale of awards which might then prove acceptable to the United States. It would delay a final settlement of the problem which would allow time for United States public opinion to cool and the memory of Mr. Lodge's earlier pronouncements to fade. The case for such a compromise would be strengthened if the Secretary-General's recommended amendment to Article 9 of the Statute to limit the size of future awards was adopted before the debate on the present awards. The Committee thought that Canada should support this amendment.

4. In putting forward this suggestion for a compromise solution, the Committee thought that Canada should not take the initiative in submitting a resolution on the subject in the Fifth Committee. Rather we should first sound out other Commonwealth and Western European governments and then join with them in exploring the possibility of the United States accepting a compromise along the lines sug-

gested. At the same time, the Committee thought that this exploration should be conducted in such a way as to indicate to the United States that we were not merely trying to win some concessions from them as the only alternative to supporting their present position. We did not want to give them the impression that we would eventually succumb to their pressure if they persisted in their present intransigent attitude. Rather, we should make it plain that we considered a compromise as to the amount of the awards to be the only acceptable alternative to our voting for them *in toto*.

5. If the United States refused to accept a compromise solution before the debate in the Fifth Committee, we might nonetheless join in supporting in the Fifth Committee a resolution recommending a review of the awards by an ad hoc judicial body. This would probably be carried by a simple majority in the Committee and in plenary despite US opposition. Supporting this compromise resolution would seem to be preferable to simply voting for the awards appropriation in direct opposition to the United States, since that would probably gain us the worst of both worlds. Although the full appropriation would probably be carried by a simple majority in the Committee, it would probably not be carried by the ⅔ vote required for an appropriation in plenary. Thus not only would we be forced into diametric opposition to the United States position but also such opposition would prove completely futile. The compromise resolution, on the other hand, would probably gain majority support and result in a reduced awards appropriation which might be acceptable to the United States and then be assured of a ⅔ majority in plenary.

6. If the United States initially rejected the compromise proposal, and if there was not then, contrary to this analysis, sufficient support to carry or perhaps even put forward a compromise resolution, we should then probably vote with reluctance for the full appropriation both in the Committee and in plenary, but at the same time, we should keep our eyes open for a favourable opportunity to join in putting forward a compromise resolution at a later stage when it had become clear to all that the appropriation would not be carried by a ⅔ majority. Support for this move which was previously lacking from those countries (e.g. Arab-Asian) anxious to obtain full payment of the awards would probably then be forthcoming.

7. Although the informal Committee was inclined to endorse the Secretary-General's recommendations for increased powers, it thought that they might possibly be abused in the hands of a less responsible incumbent than the present one. The Committee thought, therefore, that all the staff regulations should come up for review by the Assembly every three or five years. Assuming that the Secretary-General's proposals were accepted, including his recommendation for revision of the Statute of the Tribunal, this might also include a review of the operations of the revised statute. The Committee thought that if a United States candidate were put forward for one of the vacancies in the Administrative Tribunal the Canadian Delegation should vote for him. The Committee's views on the Secretary-General's report were only tentative as there had not been time for full study. We will send you our final and detailed comments on the report at the beginning of next week. Meanwhile, we would appreciate receiving your comments on the suggestions contained in this message concerning the Tribunal's awards. You may wish to discuss them

with Commonwealth Delegations. The foregoing represents our present views at the official level.

290. DEA/5475-H-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 479 New York, November 12, 1953

CONFIDENTIAL

DOCUMENT A. 2533 — REPORT OF SECRETARY-GENERAL ON PERSONNEL POLICY

You will recall that in conversations yesterday in Ottawa, it was suggested that the reaction of the staff of the Secretariat to the proposals of the Secretary-General would be useful.

2. In discussion with Peter Aylen this morning, who is one of the alternative chairmen of the Staff Appeals Board, he gave me some indication of what may be in a staff paper on this subject to be made known within the next few days. Apparently the staff believes that the Secretary-General has all the power he needs in the Charter and staff regulations, as presently written, for dismissals under the headings which he is now seeking in detail. They consider that the spelling out of political activity, lack of integrity, and conduct which warrants dismissal in the interests of good administration are already sufficiently well contained in the Charter and the regulations under definitions covering proper conduct, that the specific mention of these reasons for dismissal may lead to still wider differences of opinion between the Secretary-General and the Tribunal and that consequently they are retrograde steps.

3. The British were inclined to agree that a comparatively minor change in the staff regulations might achieve all that the Secretary-General is now proposing in his rather complex proposals, but their suggestion for widening of the powers of dismissal under Section 10.2 of the staff regulations did not receive much support in today's meeting of the Advisory Committee. Sir Alec Randall[29] mentioned that although discussions in the Advisory Committee were not completed (and would probably not be completed before next Tuesday) it seems now as though there will not be a minority report, but that a compromise will be found in the Committee probably substantially along the lines of the changes proposed, with certain minor improvements.

---

[29] Représentant suppléant, délégation du Royaume-Uni à la huitième session de l'Assemblée générale des Nations Unies.
Alternate Representative, Delegation of United Kingdom to Eighth Session of General Assembly of United Nations.

4. We hear that there may be a proposal developing to have the Fifth Committee debate only the principles behind the changes needed in the staff regulations, with a working group being set up to discuss specific amendments with the Secretary-General and the staff in order to achieve a satisfactory modification in the light of the expression of principles in the Fifth Committee. This seems to appeal — without however, proper delegation discussion — to the British and Brazilians, which latter delegation representative on Committee Five brought it to our attention as a possible proposal from the Belgians. The Australians, however, when approached as to their view on this tactic stated emphatically that they would be completely against it. It would presumably have the effect of delaying a modification in the regulations until the Ninth Assembly; and that might not be desirable as other dismissals are, we understand, under consideration by the Secretary-General and presumably it would be well to plug any loopholes in the regulations before the Secretary-General has to act upon these other cases, which vary all the way from criminal records before appointment to homosexuality.

5. Aylen thought that the Secretary-General's forthcoming proposals for streamlining the Secretariat have more serious implications for the staff than the proposals for modifying the staff regulations. He mentioned particularly that the Secretary-General was planning to take advantage of the expiration of the contracts of all the assistant secretaries general by abolishing their positions from the establishment. It is my understanding that a paper containing this proposal will go forward from the Secretary-General shortly, and Aylen questioned the tactics of the Secretary-General in having announced this policy to a meeting attended by the assistant secretaries general, the directors and subordinate staff, with a request to the assistant secretaries general for comment on the proposal. He thought that to place the assistant secretaries general in such a delicate position before their subordinates was most ill-advised, and a blow to his prestige, which, however, remains high.

291. DEA/5475-H-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 491 New York, November 14, 1953

CONFIDENTIAL

AWARDS OF THE UNITED NATIONS ADMINISTRATIVE TRIBUNAL AND THE SECRETARY-GENERAL'S REPORT

Reference: Your telegram No. 221 of November 12.

1. Further conversations among Commonwealth Legal Advisers have strengthened the opinion that the legality of the Tribunal judgments cannot be questioned. Australia is now definitely coming around to this view. France, Norway, Sweden, and the Netherlands are also firmly behind the judgments of the Tribunal. Bur-

bridge, in light of these talks, has prepared an opinion which will be sent in next bag.

2. The British seem particularly anxious, as they have been since the first announcement of the awards, to have the quantum of the awards reconsidered. We are inclined to think that sufficient criticism of the amounts may develop in the Fifth Committee that a formula may be found whereby the Tribunal could acceptably be asked to have another look at them. We favour this course rather than the proposed reference to an ad hoc judicial body which might carry too great an implication of lack of confidence in the Tribunal and of a bending to United States pressure.

3. This would be even more abhorrent to the staff of the Secretariat than would be an attempt to ask the Tribunal to reconsider any part of their judgments; for although the staff, as far as we can judge, consider that some of the awards are high, they also hold that any attempt to tamper with them now would be an indication of bowing to United States pressure.

4. Another approach to referral back to the Tribunal is one the Secretariat is exploring and about which we will know more on Monday next. This would be to ask the Secretary-General if he has further evidence (which we understand he has in four of the cases) which would make reasonable a request to the Tribunal for reconsideration.

5. Reference to your paragraph seven. In conversation with Hall[30] of the United States delegation, he mentioned, as might be expected, that in their view the modifications in the rules did not go far enough and that sooner or later someone must shake the Tribunal down into proper perspective. He mentioned the probability of the Advisory Committee, on which he sits, recommending a review of the regulations after two years of experience. Whether or not this was intended to be a single or periodic review was not made known. The Belgians, on the other hand, considered the modifications in the regulations go much too far and give the Secretary-General undesirable dictatorial powers.

[30] Conseiller, mission permanente des États-Unis auprès des Nations Unies; conseiller, délégation des États-Unis à la septième session et à la huitième session de l'Assemblée générale des Nations Unies. Adviser, Permanent Mission of United States to United Nations; Adviser, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

292. DEA/5475-H-40

Le secrétaire d'État aux Affaires extérieures
à la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Delegation to the General Assembly of the United Nations

DESPATCH V 33 Ottawa, November 17, 1953

CONFIDENTIAL

UNITED NATIONS PERSONNEL POLICY

Reference: Your telegrams No. 479 of November 12, 1953, No. 491 of November 14, 1953.

With reference to paragraphs 2, 3 and 4 of your telegram No. 491, a referral back to the Tribunal might possibly be the best course, if it will be accepted. Previous advice indicated that the Tribunal would refuse, because its members were "basking in the pride of authorship". It seems doubtful to us that increased criticism of the amount of the awards would cause them meekly to take back from the Assembly as political rejects, the judgements they pronounced after a full judicial determination. Rather, it seems to us, the mounting criticism you mention would be likely to strengthen their determination to stand firm on the recent awards. It would appear unlikely that Lord Crook,[31] for example, would recant his judgements because the present United Kingdom Government thinks the awards are too high.

2. Even if the Tribunal would agree to reconsider the awards, we are not entirely convinced that this course would be preferable to reference to an ad hoc judicial tribunal. We fail to see why the latter course would imply any greater lack of confidence in the Tribunal or susceptibility to United States pressure, than requesting the Tribunal to review its own judgements with an implied directive to produce something more palatable to the United States. Nor do we see why asking the Tribunal to alter its own awards would be any less an "attempt to tamper with them" than referral to an ad hoc judicial body. However, if further evidence is forthcoming at this late date in four of the cases it might serve as a good pretext for re-trial by the Tribunal, although it could equally well be heard on appeal to a higher court, and it would still leave seven of these cases to be referred back under some other pretext. Altogether, we do not think you should entirely abandon the idea of a referral to an ad hoc judicial board.

3. I am attaching a copy of an opinion prepared by Dr. Ault of the Civil Service Commission on the Tribunal's awards and the Secretary-General's report.† You will see that, on the whole, he endorses the report's recommendation for amendments in the staff regulations. After further consideration on the official level, we largely agree with this endorsation. There are, however, a few doubts which we would like to pass on to you.

---

[31] Premier vice-président, Tribunal administratif des Nations Unies.
First Vice-President, United Nations Administrative Tribunal.

4. The first is echoed in the last paragraph of your letter when you quote Belgian fears as to the Secretary-General's new powers being dictatorial. This seems a somewhat exaggerated description, but the combination of wider powers of dismissal and his plan actually to dismiss some of those closest to the throne is perhaps cause for some uneasiness. It will very likely lead to further cries of dictatorship. Some concrete provisions for review by the Assembly of the principles governing the Secretary-General's decisions should perhaps be written into the staff regulations at the outset. You will note Dr. Ault's suggestion that the Secretary-General's principles of interpretation themselves might be crystallized into additions to the staff regulations after they have been applied for two years. A body of "equity" might well be built up in this traditional way, first to supplement, then to be embodied in the law. With safeguards of this kind in operation, in addition to the three-year review recommended in paragraph 7 of our telegram No. 221 of November 12, the suggested new powers should not prove to be too great. A wide measure of discretion in disciplinary matters is needed for the administrative head of a large organization.

5. Another source of doubt concerning the proposed amendments is whether in fact they will reduce to a minimum the chance of further conflict between the Secretary-General and the Tribunal. It is the Secretary-General's opinion, clearly expressed in his report (e.g., paragraphs 34-38), that his judgment alone should determine whether the actions of the employee make him liable for dismissal under the various heads listed in the regulations. His interpretations "obviously involve considerations of administrative policy which are not open to a review of a strictly legal nature" (paragraph 35). The Administrative Tribunal is to be confined to deciding "whether a decision of the Secretary-General rests upon required procedures and whether it reflects bias, discrimination or arbitrariness". However, it seems to us that the Secretary-General's clear concept of the dividing line between his sole discretion and the jurisdiction of the Administrative Tribunal is not as clearly defined in the present regulations or in the proposed amendments. It still rests upon the intent of the drafters expressed in the Fifth Committee Debates in 1949, which the present dispute about the Tribunal's awards has shown to be open to conflicting interpretations. This seems rather unsatisfactory. We are inclined to favour putting specific provisions in both the staff regulations and the Tribunal's Statute (carefully drafted to prevent a conflict between the two) defining the respective jurisdictions. Otherwise, a widening of the Secretary-General's power of dismissal may also widen the area of conflict between the two jurisdictions. (The principles of interpretation which will be embodied in the staff regulations will presumably still be subject to the Secretary-General's sole discretion, but they will require him to bring the reasons for a dismissal within one or other of these principles. If he does not, the Tribunal will presumably then be able to act on the grounds of "bias, discrimination or arbitrariness".)

6. With regard to the above suggestion, we are still a little worried that, in endorsing the Secretary-General's proposed amendments before the debate on the awards, we may be said to be stopping ourselves from objecting later to the United States argument about jurisdiction, in that it might be claimed that we should also accept the Secretary-General's opinion clearly implied in the report, that the Tribunal ex-

ceeded its jurisdiction by exchanging its judgment for his. Our espousal of new provisions to define clearly the respective limits of jurisdiction would actually help us to rebut this view, since it would underline our opinion that previously the areas of jurisdiction were ill-marked, and that the Tribunal was therefore legally justified in its exercise of jurisdiction, because it was by no means clear that it should confine itself to considering merely whether the Secretary-General had acted in good faith and in accordance with the right procedure, etc.

7. We agree with Dr. Ault's suggestions concerning the plethora of advisory and appeal bodies and with his endorsation of the proposed new Article of the Statute. We are rather doubtful, however, about his objections to the proposed new regulation 1.7 concerning political activities. It seems better to us to have a clear prohibition of all political activities than to leave it to the Secretary-General to determine in each case when a particular political activity indicates lack of integrity justifying dismissal. Under the proposed amendment he can still make exceptions but they must fall within the published rules. Dr. Ault's reference to political activities allowed to British and Canadian civil servants is perhaps less applicable to an international civil service in view of the especially delicate position of the United Nations employee.

8. It is encouraging to note the Secretary-General's views (paragraph 70) that citing the Fifth Amendment should not automatically lead to dismissal but only if a full investigation has failed to remove "its unfavourable implications". This accords with the views expressed by Mr. Martin in the Assembly last March.

9. We are inclined to agree with the Australian views expressed in paragraph 4 of your telegram No. 479 under reference concerning a consideration only of the principles behind the proposed changes.

10. We would be interested to hear further details about the nature of the Advisory Board to be set up under the new regulation 9-1(a).

11. We have received a copy of a United States memorandum on the legal case for the Assembly rejecting the Tribunal's awards. It is entitled: "Action Called for on the Part of the United Nations General Assembly in Light of its Responsibility Regarding Judgments No. 19-No. 42 in Cases No. 26-No. 46 Rendered in 1953 by the United Nations Administrative Tribunal". In reading the memorandum, we have noted with interest the Canadian vote in the League of Nations case in view of the opinions expressed about the precedent in the Legal Division opinion which we sent you by bag last week.† We are unable to enclose a copy of the memorandum as we have only one, but you may be able to obtain a copy from the United States Delegation.

12. We would appreciate an opportunity to comment in advance on any statement you propose to make in the Fifth Committee on these matters.

J.W. HOLMES
for Secretary of State
for External Affairs

293. DEA/5475-H-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 550 New York, November 22, 1953

CONFIDENTIAL. IMMEDIATE.

PERSONNEL ISSUE — FIFTH COMMITTEE

Reference: Our telegram No. 545 of November 20.†

As we do not wish to bother the Minister unduly with this matter, we thought it well to send you the full text of the speech that will be translated for Mr. Côté to give in the Fifth Committee.

Text of speech begins:

Mr. Chairman,

I would be remiss if I did not, at the outset, commend the Secretary-General for his thoughtful study of this very important and complicated subject; and for his detailed and lucid presentation of the issues involved and of his proposals for removing as far as possible the anomalies and sources of conflict which have existed heretofore in the application of the present staff regulations. Our advisory committee should also have our thanks for the most helpful study they have made under difficulties recognized by us all.

2. It might not be inappropriate for me to express the belief of my delegation that there is no reason why public opinion in member states should lead to the conclusion that, because a few dismissals of members of the staff have been found necessary, the United Nations Secretariat is a hot-bed of intrigue. I should therefore, like to commend the Secretary-General for, and to associate my delegation with, his remarks in paragraph 93 of his report in which he expresses his "conviction that the United Nations is at present served by a dedicated and competent group of men and women on whom he may thoroughly rely for the accomplishment of the tasks lying ahead".

3. The concern of my delegation, which I am sure must be the concern of every delegation here, is to create conditions such that the Secretary-General may exercise fully those powers which the General Assembly has vested in him in the charter, while ensuring at the same time that a competent and loyal international staff is provided with full protection against arbitrary acts. My delegation agrees fully with the Secretary-General that it is difficult to see how a postponement of the issues now before us could be in the interest either of the organization or of the staff.

4. Speaking generally, for we may have specific comments on matters of detail to offer later, we would say that the proposed amendments to the regulations provide a needed and acceptable clarification of the powers of the Secretary-General. For the protection of the staff, who have no national court of appeal, we attach great

importance to the role of the Administrative Tribunal — a role from which the amendments to the regulations under discussion will not detract.

5. My delegation is happy to note that the Secretary-General has stated that, and I quote, "The decisions of the Secretary-General would remain subject to review by the Administrative Tribunal to the full extent of its present legal authority"; that the advisory committee has reiterated this specific statement, and that the Secretary-General in presenting his report to this committee saw fit to emphasize again this fact. My delegation concurs in this view and is satisfied that the new regulations as proposed by the Secretary-General in no way detract from the Administrative Tribunal as a safeguard for the staff.

6. It is clear that the present regulations are not definite enough and that, whereas in the past, certain acts could not be considered by the Tribunal in the context of the old regulations as justifying dismissal, these same acts might now, under the new regulations, be accepted by the Tribunal as proper reasons for dismissal. We are agreed that the regulations must be spelled out in greater detail to lessen the chances of conflict between the Secretary-General and the Tribunal. This is surely the Secretary-General's intention in seeking the proposed modifications. In paragraph 33 of his report, he states that "the breeding of such conflicts between the administrative and strictly legal approaches should be avoided by a proper amplification of the staff regulations as to the grounds upon which the Secretary-General may terminate employment".

7. We would be interested to hear more, at an appropriate time, of the Secretary-General's proposals for further arrangements for setting up procedures whereby staff members could put on record before an independent body of equals what they themselves consider to be the facts of the situation, and mention is also made of a special advisory board. While these suggestions appear to have merit, my delegation cannot help feeling, as did our colleague from Colombia, in his statement the other day, that the Secretary-General may have too many advisory panels and committees, and that the appeals mechanism might profitably be simplified. In saying this, I should like to make clear that my remarks should not be construed in the sense of a desire to weaken by one jot any machinery presently enjoyed by the staff for their protection. My intention is merely to point out that there appears to be a plethora of bodies that might be consolidated to some extent to the benefit of all. This is a matter which may well be left to the Secretary-General and the members of his staff to work out to their own satisfaction. My delegation, however, has some suggestions, which it would be prepared to advance for the consideration of the Secretary-General and his staff at an appropriate time should they wish to give this matter their attention.

8. The representative of Colombia made another suggestion with which, if I interpreted it correctly, my delegation cannot agree. As I understand it, the suggestion was that whatever amendments to the regulations we agree to here at the present time would be in force on a temporary basis. We feel that these regulations should be inscribed so as to have full force, in order to avoid any further undesirable element of uncertainty. We do agree, however, that it would be desirable to review them at the end of the two year period recommended by the advisory committee.

9. Another consideration which my delegation considers to be of importance in the present discussion relates to the fact that many persons who joined the United Nations Secretariat are far removed from their normal sphere of alternative employment. It is very important to see to it that their security of tenure and financial provisions for separations are adequate in the light of this difference between the conditions of employment and those enjoyed by the civil servants of some national services.

10. Criteria which govern disciplinary action or dismissals in national civil services may not necessarily be applicable in the international field. National traditions of service have been built up over the centuries, and our international civil service has the benefit of being able to take advantage of the experience of all in order to build up over time a tradition and a code of conduct applicable to all members of the Secretariat. Naturally, clarification of standards will be required from time to time in the light of experience, and we wonder whether it would not be well to record more formally than is proposed by the Secretary-General the principles which have been and will be applied in interpreting the staff regulations. We therefore wonder whether it might not be acceptable to write into the regulations provisions for review by the assembly of the principles governing the Secretary-General's decisions. It might well be that the Secretary-General's principles of interpretation might be attached in the first instance as an appendix, later to be crystallized into additions to the staff regulations after they have been applied over a period of years. A body of equity might well be built up in this traditional way; first to supplement and then to be embodied in the law.

11. For reasons similar to those obtaining for security of tenure, the Canadian delegation inclines to the view that the original proposal of the Secretary-General for compensation not to exceed two years' salary is to be preferred to the recommendation of the advisory committee. In this regard we would associate ourselves with our colleague from the United Kingdom in his comment that even a two year maximum might be too rigid; in fact the Secretary-General has anticipated this in his comment in paragraph 84 of his report where he states, and I quote, "If in any case the Tribunal finds such compensation insufficient it is of course free to recommend the payment of a higher indemnity in the special case under consideration".

12. We have noted the objections expressed in the staff paper to the new regulation 9.1(A)III; but we have also been impressed by the statement of the Secretary-General as to the reasons which prompted him to ask for these powers in the interests of the staff themselves. The Secretary-General has stated that he could get along without it. But he does not think it wise — for what to us appear to be good reasons — that he should be asked to get along without it. My delegation would therefore be prepared to see this section included in the new regulations, for we are satisfied that adequate safeguards remain for the staff through the appeals procedures which have been set up for their protection. As the Secretary-General has said and I quote — "With the obligation of the Secretary-General to give to the staff member his reasons for action if the staff member so desires, his obligation to present the case fully to the advisory board, on which the staff will be represented, and his obligation to explain his actions to the Tribunal, the safeguards against

abuses are so strong that the risk cannot possibly outweigh the advantage of the clause from the staff point of view".

13. We are also inclined to the view that the Secretary-General in the matter of definition of political activities should be able to make exceptions. But they should fall within established rules. For this reason, we lean more to the text proposed by the Secretary-General for the modification of regulation 1.7 than we do to the more rigid text recommended by the advisory committee. But these and other questions of detail can more properly be dealt with later in the debate when the committee begins a detailed consideration of the proposed amendment, at which time my delegation may have more to say. Text of speech ends.

294. DEA/5475-H-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 259 Ottawa, November 23, 1953

CONFIDENTIAL. IMMEDIATE.

PERSONNEL ISSUE — FIFTH COMMITTEE

Reference: Your telegram No. 550.

The exchange of views that has recently taken place between us has perhaps over-emphasized differences in approach and tactics, and obscured the wide area of agreement which exists. We are in general agreement with the text of the second draft of your proposed statement, and do not repeat not suggest that you should take any initiative in raising the jurisdictional issues, although we continue to believe that this is a real issue which will have to be faced at some future stage.

2. As discussed in the Summers-Rae[32] telephone conversation this morning, we agree that you should support the Secretary-General's proposals and not go beyond them, although they still leave the two areas of jurisdiction imperfectly defined. We had never intended that the Canadian Delegation should take the lead in proposing specific clarifying amendments. In view of the information received this morning concerning the Secretary-General's firm opposition to amendments of the kind originally proposed by the United Kingdom and Australian Delegations, such action would appear to be clearly undesirable. If the United Kingdom or some other

[32] G.B. Summers, Direction des Nations Unies; représentant suppléant, délégation à la huitième session de l'Assemblée générale des Nations Unies.
S.F. Rae, Direction des Nations Unies.
G.B. Summers, United Nations Division; Alternate Representative, Delegation to Eighth Session of General Assembly of United Nations.
S.F. Rae, United Nations Division.

delegation does propose a clarifying amendment, we will then have to consider what position we should take.

3. We are pleased to see your reference to the various safeguards for the staff provided by the regulations and your suggestion that additional provisions be added providing for review by the Assembly of the Secretary-General's principles of interpretation. We think that you might possibly expand your mention of consideration by the Assembly of the new amendments and the regulations as a whole after a two-year period, and suggest that the Secretary-General report to the Assembly on the working of the new amendments after this period to provide a basis for review by the Assembly. We prefer the uncommitted attitude towards Regulation 9.1(a)(iii) in your first draft, to the wording of your second draft, but accept your view on this point in the light of information available to you in New York. By mentioning the above safeguards designed to protect the staff, including the suggestion for adding crystallized rules of interpretation to the regulations, you should succeed sufficiently in assuring the staff of our concern for their welfare.

4. We do not propose to offer any detailed comments on the actual wording of this statement, which appears to us to meet the situation very well. We would appreciate being kept fully informed of the discussions and detailed negotiations of the Secretary-General's recommendations in and about the Fifth Committee. We would also like to have an account of the current state of negotiations concerning the compromise proposals for settling the awards dispute.

295. DEA/5475-H-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 583 New York, November 26, 1953

CONFIDENTIAL

AWARDS OF THE ADMINISTRATIVE TRIBUNAL

Reference: Paragraph 4 of your teletype No. 259 of November 23.
Repeat Washington No. 195.

The only development in connection with compromise proposals is that a suggestion for reference to the International Court of Justice had been gaining some weight. The United Kingdom has asked their Ambassador in Washington to sound out the State Department on this point. We learned last night that Lodge had written to the United Kingdom delegation stating that the proposal was not acceptable. In a conversation with Sir Alec Randall this morning he mentioned that they were not disposed to take this as the last word. They have formulated two questions which they think might properly be referred to the International Court and we will pass these to you later in the day if received.

2. We personally judge that it is doubtful that sufficient support for a referral to the International Court would be forthcoming from the Fifth Committee, although the British advice was that all the Brussels powers favour such a move. The British mentioned that they would have no desire to proceed with this proposal if they cannot be sure that it would receive a substantial majority in the Fifth Committee. There will therefore be an extensive sounding out of delegations on this point.

3. We find little interest in the suggestion that the awards be referred back to the Tribunal or to an ad hoc committee. However, it is not beyond the bounds of possibility that the Secretary-General himself might be in a position to ask the Tribunal to re-examine some of the awards on the basis of new evidence. We understand that the Tribunal themselves are in one case going to mention that fresh evidence (as to the age of one of the persons concerned) would lead them to modify their judgment. We are keeping in touch with the Legal Adviser of the United Nations to see whether or not this possible referral by the Secretary-General might develop.

4. The Australians have in mind a simple resolution to reduce the amount of the awards; and we are endeavouring to find out whether or not they have a respectable legal argument to justify this proposal. A meeting of the Commonwealth group next Monday morning will try to iron out a common line to be taken in this matter; but at the moment it appears that New Zealand, South Africa and India, in the absence of an acceptable legal method of getting them reconsidered, are prepared to support the awards in full.

5. It is not expected that we will get into a discussion of the awards before next Thursday.

296. DEA/5475-H-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 598 New York, November 27, 1953

CONFIDENTIAL

FIFTH COMMITTEE — AWARDS OF ADMINISTRATIVE TRIBUNAL

Reference: Our telegram No. 583 of November 26.

The United Kingdom delegation this morning gave us the questions which they feel might properly be asked of the International Court of Justice if it is decided that it would be advantageous to make an approach. The questions are:

(a) Whether the Tribunal was acting within its competence; and

(b) Whether it applied correct principles in deciding the cases before it and assessing the amount of compensation.

2. We have no further information yet on whether or not the State Department would agree to an approach being made to the International Court of Justice.

297. DEA/5475-H-40

Le secrétaire d'État aux Affaires extérieures
à la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Delegation to the General Assembly of the United Nations

TELEGRAM 618 Ottawa, November 28, 1953

CONFIDENTIAL. IMPORTANT.

AWARDS OF THE ADMINISTRATIVE TRIBUNAL

Reference: Your Telegram No. 583 of November 26, 1953 and your Telegram No. 598 of November 27.

We are inclined to support the United Kingdom proposal as the first compromise solution to be put forward. We had ourselves previously considered this as a possible compromise solution but rejected it in favour of an ad hoc judicial body for two reasons. First, we had thought it would be more palatable to those countries which were entirely in favor of paying the awards made by the Tribunal if the question were referred to an ad hoc judicial committee for consideration, not on the legal basis of the decisions themselves but merely as to the amounts of the awards. Secondly, we thought that such a reference would be a less binding precedent for the future than a reference to the Court, which is a permanent body. We thought that a reference to an ad hoc body to deal with this particular situation would thus do less to undermine the Tribunal's authority. We note that this opinion is not shared by the United Kingdom authorities in their telegram No. 83 of November 26.† However, as is pointed out in that telegram, it would look better to refer the awards to the Court under Article 96 of the Charter than to refer them to an ad hoc body, as it would seem to be less of an appeal from the Tribunal in contravention of the Statute. Therefore, in view of this, and of the lack of support for other compromise proposals referred to in your telegram No. 583, we think you should support the United Kingdom proposal at the Commonwealth meeting on November 30 despite the two drawbacks to this proposal noted above. We agree with the form of questions, which the United Kingdom propose to refer to the Court, outlined in your telegram No. 598.

2. At the same time we do not think you should forget entirely the idea of an ad hoc judicial body as a compromise solution which could be put forward if the other suggestion is not put forward or fails of acceptance. We regret to see from your telegram No. 583 that United Kingdom authorities have no desire to proceed with their proposal if it is not sure of a substantial majority in the Fifth Committee. We believe that this or some other compromise proposal should be put forward if it has any chance of success whatsoever rather than giving up any hope of compromise and opposing the United States diametrically in voting for the awards in toto. Also, you might point out to the United Kingdom delegation that, even if it is obvious that their proposal will not gain sufficient support in the Fifth Committee, it would still be worth putting forward in order to show the public that we had explored all

compromise possibilities before finally and reluctantly voting directly against the US in this matter.

3. We have now heard from UK authorities here that the United Kingdom are not so firmly opposed to the whole idea of paring down the amounts of the awards as was indicated in paragraph three of their telegram No. 83 of November 26, which was repeated to you in our telegram No. 617 of November 27.† The United Kingdom still prefer consideration by the International Court, but if this proposal fails to attract enough support, they now think they might be prepared to support some compromise proposal which would result in paring the scale of awards. This would presumably include our proposal for reference to an ad hoc body to consider the amounts of the awards referred to above, which reinforces our point that this proposal should still be kept in mind for use if the UK proposal fails.

4. The revised United Kingdom attitude to paring the amounts of the awards might possibly lead them eventually to support the Australian proposal for a reduction by vote of the Fifth Committee. We are still opposed to any such legislative reduction of the awards.

5. We think that the description in your telegram of this ad hoc body as a "Committee" is rather misleading. It makes the proposed body sound like a ten-man subcommittee of the Fifth Committee rather than a three-man judicial board, which is what we intend.

6. These are preliminary views at the official level which have not even been cleared with the Acting Under-Secretary. We hope to send you Ministerial endorsement before the meeting on November 30.

298. DEA/5475-H-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 619 New York, November 30, 1953

CONFIDENTIAL. IMPORTANT.

AWARDS OF THE ADMINISTRATIVE TRIBUNAL

Reference: Your telegram No. 618 to Permdel of November 28.

We obtained from the United Kingdom delegation this morning two further questions that the Foreign Office thinks might well be put to the International Court of Justice. They are: —

(1) "Having regard to the statute of the Administrative Tribunal and to any other relevant instruments or records, has the Assembly the right to refuse to give effect to an award of compensation by the Tribunal to a dismissed United Nations employee?

(2) If the answer to (1) is in the affirmative, what are the principal grounds on which it would be legitimate and proper for the Assembly to exercise this right?"

2. The French delegation is also working upon possible questions that might be put to the International Court. They are in general terms: —

(1) "Whether the Tribunal is a subsidiary organ of the General Assembly?

(2) Whether the decisions of the Tribunal and awards made by it may be modified or rejected by the General Assembly?"

299. DEA/5475-H-40

Le secrétaire d'État aux Affaires extérieures
à la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Delegation to the General Assembly of the United Nations

TELEGRAM 274 Ottawa, December 1, 1953

CONFIDENTIAL. IMPORTANT.

AWARDS OF THE ADMINISTRATIVE TRIBUNAL

Reference: Your Telegram No. 619 of November 30.

We do not think that the additional type of question put forward by the United Kingdom and French Delegations, as outlined in your telegram under reference, would be a useful addition to the two types of question already proposed.

2. The Assembly clearly has the legal power to reject or modify the awards made by the Administrative Tribunal, since it has the ultimate legislative power, as recognized in Article 11 of the Statute of the Tribunal. In our opinion, this is not a matter of legal right but rather of constitutional propriety.

3. A more important consideration is that this type of question does not seem to be a suitable addition to what is intended to be a compromise solution for this problem. It is our impression that the first two proposed types of question set forth in your telegram No. 598 of November 27, which indicate that we have some doubt as to the legal basis of the decisions themselves and the amount of the awards, were designed to make the proposal as acceptable to the Americans as possible in the circumstances. It would seem to us inconsistent to add the third proposed type of question which would displease the United States authorities by questioning their contention that the Assembly has the power and right to review the Tribunal's awards. The wording of the French questions, in particular, seems almost calculated to annoy the United States authorities, in that it seems to be modelled on the wording of the United States draft statement on the awards question.

4. For these two reasons, we would oppose the addition of this third type of question to the first two types of question, which together form a satisfactory basis for a reference to the International Court.

5. As you have been informed, the Minister's view is that the Delegation should support a reference to the International Court based on the first types of question as

formulated by the United Kingdom authorities. He believes that a resolution on these lines should be put forward even if it is *not* assured of success, because it will at least demonstrate that we have tried to find a reasonable compromise solution which might be acceptable to the United States authorities. The Minister has agreed that you should co-sponsor such a resolution. However, if the other delegations concerned insist on including in it the third type of question proposed, we will have to reconsider the position as to sponsorship.

300. DEA/5475-H-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 650 New York, December 3, 1953

CONFIDENTIAL. IMMEDIATE.

AWARDS OF THE ADMINISTRATIVE TRIBUNAL

Reference: Your telegram No. 274 of December 1.

Formulation of questions which might be submitted to the International Court of Justice was discussed at the Commonwealth meeting this morning and later at a meeting of the legal advisers.

2. We were told that the information which the United Kingdom has from Washington leads them to believe that Dulles would not oppose a reference to the International Court of Justice if properly framed. There is reason to believe also that the United States would prefer to include a question relating to the right of the Assembly to review the awards.

3. We put forward the view contained in your telegram under reference but were told that it would be impossible to get a wide measure of support for the proposed questions unless one on the rights of the Assembly is included. In addition, we were told that the Scandinavian and other countries strongly oppose question (b) contained in our telegram No. 598 of November 22 on the grounds that this would mean asking the Court to retry the cases.

4. In the light of these considerations the preliminary proposals which are contained in our immediately following teletype were drawn up.

5. You will note that a question on competence is included as a separate question and is not related to the other questions on the Assembly's right of review. Although this set of questions is not exactly what we would have wished, we think, in the light of all the considerations, that we should be able to go along with this proposal. We should be happy to learn if you agree.

6. There will be a further meeting this afternoon with representatives of the Scandinavian and Benelux countries on the question of a reference to the International

Court. The Fifth Committee may commence the debate on the awards late this afternoon.

301. DEA/5475-H-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 651 New York, December 3, 1953

CONFIDENTIAL. IMMEDIATE.

AWARDS OF THE ADMINISTRATIVE TRIBUNAL

Reference: Our immediately preceding teletype.

Following is the text of the draft resolution to which we referred:

Considering the request for a supplementary appropriation of $179,420, made by the Secretary-General in his report (Document A/2534) for the purpose of covering certain awards made by the United Nations Administrative Tribunal,

Considering the concurrence in this appropriation by the Advisory Committee on administrative and budgetary questions contained in its 24th report to the Eighth Session of the General Assembly in Document A/2580.

Considering, nevertheless, that important legal questions have been raised in the course of debate in the Fifth Committee with respect to that appropriation,

Decides A. To submit the following legal questions to the International Court of Justice for an advisory opinion:

(I) Having regard to the statute of the Administrative Tribunal and to any other relevant instruments or records, has the General Assembly the legal right to revise or invalidate an award of compensation by the Tribunal to a staff member of the United Nations whose appointment has been terminated?;

(II) If the answer to (I) is in the affirmative, what are the principal legal grounds on which it would be proper for the Assembly to exercise that right?;

(III) Would one such ground be that the Tribunal had exceeded its competence?;

(IV) Having regard to the answers given by the Court to questions (II) and (III), has the General Assembly the legal right to revise or invalidate any, and if so which, of the awards of the Tribunal in the cases to which the above-mentioned request by the Secretary-General relates?;

(V) Did the Tribunal in making any, and if so which, of the said awards, exceed its competence?

302. DEA/5475-H-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 658 New York, December 3, 1953

CONFIDENTIAL. IMPORTANT.

AWARDS OF THE ADMINISTRATIVE TRIBUNAL

Reference: Our telegrams Nos. 650 and 651 of December 3.
Repeat Washington No. 218.

A meeting was held this afternoon attended by representatives of the Commonwealth, the Scandinavian countries, France and Benelux.

2. On the question of whether or not there should be a reference to the International Court, a variety of views were expressed. The Scandinavian countries, India, and Benelux would not commit themselves on this question until the debate on the awards had commenced in the Fifth Committee. If, as the debate develops, they are satisfied that there would be a two-thirds majority in favour of the payment of the awards in full, these countries would be opposed to any reference to the Court. In other words these countries would refer the matter to the Court only if they felt the payment of the awards in full was in jeopardy.

3. Johnson expressed the view that we would favour the reference to the International Court whether or not it appeared there would be a two-thirds majority in favour of the payment of the awards in full. The grounds Johnson gave were substantially those set out in paragraph 2 of your telegram No. 618 of November 28, namely that it was desirable to put forward some compromise proposal rather than oppose the United States diametrically by voting for the awards in toto.

4. Australia is, of course, strongly opposed to a reference to the Court and said so.

5. France is not enthusiastic about the proposal but would consider it if the United States themselves were in favour and if there was a suitable amendment to provide that if the Court gave a favourable opinion the awards would then be paid by the Secretary-General without further reference to the General Assembly.

6. There was no agreement about the kind of questions which should be put to the Court. There was considerable criticism of the questions set out in our telegram No. 651.

7. We expressed the view that it was most important that the question of the competence of the Administrative Tribunal should be put to the International Court. This view did not appear to be shared by the Scandinavian countries or France. However, as no one had had an opportunity to consider these questions carefully, it was left that we would think matters over and discuss them again.

8. There was some support for the suggestion that the Fifth Committee should merely take a decision to refer the question of the Tribunal's awards to the Interna-

tional Court and request the Sixth Committee to draft the necessary questions. Other delegations thought that the Fifth Committee, without attempting to draft the questions, should give the Sixth Committee some guidance as to the type of question which should be put to the Court.

9. No decisions were taken. It was agreed that we would see how the debate develops in the Fifth Committee. No doubt consultations will be taking place tomorrow on the course to be followed.

10. We gather from previous telegrams and from Johnson's talk with Holmes this evening that our instructions are along the following lines. We should support a reference to the International Court even if

(I) the United States is opposed,

(II) there appears to be a two-thirds majority in favour of the payment of the awards in full, and

(III) the proposal to refer to the International Court is likely to be defeated.

We would not, however, wish to be alone in following this course and would wish to have the support of a reasonable number of "respectable" delegations. It is realized that agreement on the questions to be put to the Court will be extremely difficult to obtain and we assume that we are given considerable latitude in coming to some compromise solution.

303. DEA/5475-H-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 662 New York, December 4, 1953

CONFIDENTIAL. IMMEDIATE.

AWARDS OF ADMINISTRATIVE TRIBUNAL

Reference: Our telegram No. 658 of December 3.

We will probably need to make a statement on Saturday. We are proposing to take the following line, basing our legal views on Burbridge's memorandum of November 14 headed *legal aspect of the personnel question* and the Annex thereto.† (References are to paragraphs in these documents.)

2. (a) The Tribunal was set up by the Assembly for the protection of the staff, and the General Assembly invested it with certain powers (paragraphs 1 of memorandum and 10-12 of the Annex).

(b) Having set up a tribunal and invested it with these powers, we cannot agree that the Fifth Committee or the Assembly should either reduce or overthrow the judgements (paragraphs 2 of memorandum and 4 of the Annex.)

(c) But several other delegations obviously think otherwise. Certain delegations have claimed that the Tribunal exceeded its jurisdiction and made awards that are out of line with recognized and reasonable principles.

(d) There are important legal questions (Annex, paragraph 14). And as we do not claim to have a monopoly of legal wisdom, we would be prepared to do what is usually done when such disputes arise — refer to a court of higher jurisdiction (Annex, paragraph 5).

(e) If, however, there is no substantial support for such a move, then we would have to stand by our own legal view that the Tribunal had competence and that its awards should be honoured by the Assembly.

(f) We have just completed a debate on amendments to staff regulations, designed to make the regulations more definite so as to lessen the chances of conflict between the Secretary-General and the Tribunal, while insuring that a competent and loyal international staff was still provided with full protection against arbitrary acts.

(g) We would hope that the Fifth Committee would not take any arbitrary steps that would run counter to the idea of the Tribunal as an independent organ for staff protection, and by so doing strike a severe blow to staff morale.

304. DEA/5475-H-40

Le secrétaire d'État aux Affaires extérieures
à la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Delegation to the General Assembly of the United Nations

TELEGRAM 299 Ottawa, December 4, 1953

CONFIDENTIAL. IMMEDIATE.

AWARDS OF THE ADMINISTRATIVE TRIBUNAL

Reference: Your Telegrams No. 662 of December 4 and 658 of December 3.

We agree that you should make a statement based on the points outlined in your telegram 662 under reference. These points summarize our attitude very well and are consistent with our instructions outlined in paragraph 10 of your telegram No. 658 under reference. We are very much in accord with your wording of point (b) in your telegram No. 662 which makes it clear that the main issue is not whether the Fifth Committee or the Assembly have the legal powers to reduce or overthrow the judgements but whether in fact it is proper for them to do so.

2. We entirely agree that you should be given considerable latitude in working out the details of questions to be put to the Court and the nature of the compromise solution in general, as you suggest in paragraph 10 of your telegram No. 658. We agree with you that the proposed questions to be put to the court, outlined in your telegram 651 of December 3, are not exactly what we would wish for. Our Legal Division have prepared an amended version of these questions, which we will pass on to you as suggestions for consideration by yourselves and other interested dele-

gations. We would like to emphasize that these are tentative suggestions only and that, if they are not acceptable, we agree that you should go along with any agreed formulation based on the original questions, as you suggest in paragraph 5 of your telegram No. 650 of December 3.

3. We would prefer not to take a final decision as to co-sponsorship until the form of questions under reference is finally determined.

4. The amended questions are as follows: (The preamble to remain unchanged)

(I.) Having regard to the Statute of the Administrative Tribunal and to any other relevant instruments or records, has the General Assembly the legal right to revise or invalidate the awards of compensation made by the Administrative Tribunal in the cases to which the above-mentioned request by the Secretary-General relates?

(II.) If the answer to (I) is in the affirmative, what are the legal grounds on which it would be proper for the General Assembly to exercise that right?

(III.) If one such ground is that the Tribunal has exceeded its competence, has the General Assembly the legal right to determine the question of competence?

(IV.) If the answer to (I) is in the affirmative, which of the present awards has the General Assembly the legal right to revise or invalidate and on what legal grounds in each case?

5. The following are the reasons for these amendments:

You will see that this revision restricts the reference to the Court to the awards which have given rise to the present problem. It is our hope that, by so doing, we can eliminate the danger inherent in the present question (I). In our view this question is an invitation to trouble in the future both as regards the personnel problem and as regards other questions coming before the Fifth Committee. If the Court should answer the present question in the affirmative, it might be extremely difficult to restrict the kind of review on which the Assembly might embark when future cases arise. As we have previously stated, we see strong legal objections (and we understand there are equally forceful objections of a political and administrative nature) to having the General Assembly review, revise and invalidate judicial decisions taken by other appropriate organs of the United Nations. These are our reasons for trying to restrict the application of question (I).

We have deleted the word "principal" before "legal groundsV in question (II). We believe that the Court should spell out *all* the legal grounds on which it would be appropriate for the Assembly to exercise the right of revision. As for question (III), we believe that it is self-evident that an exceeding of competence will be one of the legal grounds. The more important question is whether the Assembly has the legal right to determine the question of competence. Accordingly, we have re-framed this question.

Our suggestion for question (IV) is an attempt to meet what seems to be the purpose of the present questions (IV) and (V), that is — to have the Court say which of the present awards can be revised and on what grounds in each case.

6. For your own information, we have been informed by the New Zealand High Commissioner's Office that, although the New Zealand authorities regret the delay inherent in any reference to the International Court, they have instructed their dele-

gation to vote for such a reference if the United Kingdom pursue this proposal. However, if this proposal is not successful, the New Zealand Delegation is to vote to sustain the Tribunal's awards. The New Zealand attitude to the Court reference is thus similar to our own.

7. This awards question is perhaps the most difficult of the questions to come before the present session, and the work of the Delegation in exploring compromise solutions in these past weeks is fully appreciated here.

305. DEA/5475-H-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 675 New York, December 7, 1953

CONFIDENTIAL. IMPORTANT.

ADMINISTRATIVE TRIBUNAL — AWARDS

Reference: Telephone conversation December 5, Ritchie-Johnson.

Following from Johnson.

1. After my telephone conversation with Ritchie on Saturday afternoon, the United Kingdom delegation pressed us to co-sponsor with them and Colombia a resolution referring two questions to the International Court. In the light of the instructions received from Ritchie, we agreed. The text of the resolution is given in my immediately following telegram.

2. We understand from the United Kingdom delegation that the United States will not oppose the reference of these two questions to the International Court. They will probably abstain.

3. The United States would very strongly oppose a third question reading as follows:

"Having regard to the answers given by the Court to questions (I) and (II) (our immediately following telegram) and to the awards of compensation made by the Administrative Tribunal in eleven cases numbered 26, and 37 to 46 inclusive, and assuming the statement of the facts upon which each of the awards is based to be correct, do any of the awards, and, if so, which, disclose the existence of grounds upon which the General Assembly could lawfully refuse to make provision for the payment of the compensation awarded thereby?"

4. The United States delegation would also oppose any resolution dealing specifically with the competence of the Administrative Tribunal.

5. The reasons which prompted the United Kingdom delegation and ourselves to co-sponsor this resolution are chiefly as follows:

(a) It seemed that by proceeding this way, we could avoid conflict with the United States;

(b) That we would get greater support for our resolution and,

(c) The hope that the Court in answer to these two questions would give the General Assembly helpful guidance.

6. The risk we take is, of course, that the Court in its answers to the questions submitted might leave the position very much where it now is.

306. DEA/5475-H-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 676 New York, December 7, 1953

IMPORTANT

ADMINISTRATIVE TRIBUNAL — AWARDS

Reference: My immediately preceding telegram.

Following is the text of the draft resolution sponsored by Canada, Colombia and the United Kingdom, Text begins:

The General Assembly,

Considering the request for a supplementary appropriation of $179,420, made by the Secretary-General in his report (Document A/2534) for the purpose of covering the awards made by the United Nations Administrative Tribunal in eleven cases numbered 26, and 37 to 46 inclusive,

Considering the concurrence in that appropriation by the Advisory Committee on administrative and budgetary questions contained in its twenty-fourth report to the Eighth Session of the General Assembly in Document A/2580,

Considering, nevertheless, that important legal questions have been raised in the course of debate in the Fifth Committee with respect to that appropriation,

Decides

To submit the following legal questions to the International Court of Justice for an advisory opinion:

(I) Having regard to the statute of the United Nations Administrative Tribunal and to any other relevant instruments and to the relevant records, has the General Assembly the right on any grounds to refuse to give effect to an award of compensation made by that tribunal in favour of a staff member of the United Nations whose contract of service has been terminated without his assent?

(II) If the answer given by the court to question (I) is in the affirmative, what are the principal grounds upon which the General Assembly could lawfully exercise such a right? Ends.

307. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

[Ottawa], December 7, 1953

. . .

8. *Amendments to the Staff Regulations of the United Nations Secretariat*

United Nations Division: The Fifth Committee has now completed its debate on the Secretary-General's proposals to amend the Staff Regulations contained in his Report on Personnel Policy. Various amendments to the Staff Regulations, based in large part upon the Secretary-General's suggestions, have been approved by the Committee. Representatives of many countries spoke in the lengthy debate which preceded the vote on the proposed amendments and expressed a wide variety of views concerning them. A wide measure of agreement was expressed, however, as to the desirability of supporting the authority of the Secretary-General, while at the same time ensuring that the independence and security of staff members were protected in various ways, especially by retaining undiminished the jurisdiction of the Administrative Tribunal.

The Vice-Chairman of the Canadian Delegation, the Honourable Alcide Côté, spoke on behalf of Canada and said that the Canadian Delegation was agreed that the chance of conflict between the Secretary-General and the Administrative Tribunal should be lessened. The Canadian representative suggested that the appeals mechanism contained in the Regulations might perhaps be simplified to avoid "the plethora of bodies" concerned with staff appeals against dismissals and other disciplinary action. In a later statement to the Fifth Committee, the Secretary-General took note of this suggestion and said he would give the matter further study. A further suggestion made in the Canadian statement, that both the Secretary-General's principles of interpretation used in applying the regulations and the regulations themselves be revised by the Assembly in 1955, was later embodied in a resolution sponsored by Canada and passed unanimously by the Committee.

The most important of the amendments to the Staff Regulations passed by the Committee were designed to broaden and clarify the Secretary-General's powers of dismissal. These amendments will enable the Secretary-General to dismiss staff members on the grounds of "lack of integrity" in addition to misconduct. The Secretary-General has also been empowered to terminate the appointment of a staff member if he learns of facts prior to the appointment of the staff member which, if they had been known at the time he was appointed, would have precluded his appointment. The Secretary-General has also been given a wide power to dismiss members in the interest of the good administration of the Organization, but his power is only to be exercised with the agreement of the staff member concerned. The Secretary-General has declared that this power is only to be used in cases where it would be a benefit to the staff member concerned if he were terminated

under it rather than under some other provision of the Regulations. The Committee also amended the Regulation concerning the political activities of the staff members, so that it now specifically allows staff members to exercise their right to vote but forbids them to engage "in any political activity which might reflect upon the independence and impartiality required by their status as international civil servants." Article 9 of the Statute of the Administrative Tribunal was also amended by the Fifth Committee to provide that compensation granted by the Tribunal in lieu of reinstatement after wrongful dismissal should not exceed two years net base salary of the staff employee concerned.

After passing the resolutions concerning the amendments to the Staff Regulations, the Fifth Committee also considered a number of resolutions arising out of the second part of the Secretary-General's Report. The Committee approved a series of recommendations designed to guide the Secretary-General in the formulation of appropriate staff rules in connection with the United States Immigration and Nationality Act of November 24, 1952. The new rules will affect those staff members who decide to retain permanent residence status in the country of their duty station. One of these resolutions states that staff members electing to retain permanent residence visas should be excluded from national quotas under the principle of geographical distribution and be included in a "special category" of staff members. Another resolution endorses recommendations of the Advisory Committee and the Secretary-General that staff members electing to retain permanent residence status should receive reimbursement of national income taxes (to which they will be subject under the new United States Act). The Committee also endorsed a further recommendation by the Secretary-General and the Advisory Committee that staff members who remain in permanent residence status should lose various staff rights such as home leave and non-resident's allowance.[33]

. . .

---

[33] Quand le rapport de la Cinquième Commission (A/2615) sur les amendements au Règlement du personnel fut examiné au cours de la séance plénière du 9 décembre, les trois projets de résolution qui y étaient annexés furent adoptés, le premier par 50 voix (y compris celle du Canada), contre 5, avec 3 abstentions; le deuxième par 50 voix (y compris celle du Canada), contre 6, avec 2 abstentions, et le troisième à l'unanimité.

When the report of the Fifth Committee (A/2615) on the Amendments to Staff Regulations item was considered in Plenary on December 9 the three draft resolutions attached to it were adopted by the following votes: Draft Resolution I —50 in favour (including Canada), 5 against and 3 abstentions. Draft Resolution II —50 in favour (including Canada), 6 against and 2 abstentions; Draft Resolution III—passed unanimously.

308. DEA/5475-H-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 694 New York, December 9, 1953

AWARDS OF THE ADMINISTRATIVE TRIBUNAL

Reference: Our telegram No. 676 of December 7.

The resolution co-sponsored by Canada, the United Kingdom, and Colombia referring certain questions concerning the relationship between the General Assembly and the Administrative Tribunal was adopted in plenary this afternoon by a vote of 42 to 5 with 13 abstentions. We had expected a little trouble in getting this resolution through plenary if someone had reintroduced the French amendment to our resolution. However Hoppenot in explanation of vote indicated that his delegation would vote in favour of our draft resolution, associating itself with us in a search for an honourable compromise in this delicate question.

SECTION G

TUNISIE ET MAROC
TUNISIA AND MOROCCO

309. DEA/5475-DW-27-2-40

Rapport final de la Première Commission de l'Assemblée générale des Nations Unies

Final Report by First Committee, United Nations General Assembly

CONFIDENTIAL [New York], December 3, 1953

FINAL REPORT ON AGENDA ITEMS NO. 56 ENTITLED "THE TUNISIAN QUESTION" AND NO. 57 ENTITLED "THE QUESTION OF MOROCCO"

The Question of Morocco and the Tunisian Question were inscribed on the First Committee's agenda in that order. Although they were discussed separately, the discussion overlapped at many points and the Chairman encouraged those who wished to do so to speak on both items at the same time. The thirteen Afro-Asian Delegations, which had once again requested that these questions be discussed at the 8th Session of the General Assembly, did not object to this procedure, but, for their part, they treated the two items as separate debates, although using the Moroccan resolutions as a means of testing how far the Committee and the Assembly might be prepared to go in adopting a resolution on Tunisia.

For these reasons we propose to cover these two items in one final report.

Inscription on the Agenda

The 8th Session of the General Assembly began less than two weeks after the Security Council had decided, after a lengthy debate, not to inscribe on its agenda the Moroccan item dealing with the deposing of the Sultan. There was, however, no question in the minds of most delegations about inscribing the Moroccan and Tunisian questions on the Assembly's agenda and even the French Delegation raised no objection to their inscription. The Assembly, therefore, decided on September 17th, without debate, to include both questions on its agenda and refer them to the First Committee.

It was more by accident than design that the First Committee decided to take up the Moroccan and Tunisian questions first. As will be explained in the final report on the Korean item,† the United States Delegation and others wished to avoid if at all possible any further discussion in the Assembly of the composition of the Korean Political Conference, at least in the early stages of the Assembly. For various reasons it was not convenient to take up other items first and as the French, knowing that the Arabs were not quite ready, had no objection to an early discussion of Tunisia and Morocco, these were the first items discussed by the First Committee. With Sir Zafrulla Khan away from New York until mid October, the Arabs would have preferred to see their items discussed at a later stage, but after all they had said in the Security Council in August and September about the urgency of a United Nations debate on these questions, they could not very well protest too strongly.

Arab Delays

They could, however — and did — delay the progress of the debate in the First Committee by not presenting a resolution until October 9, the third day of the Committee's debate on this subject. Moreover, even after they had submitted their resolution, it was difficult for the Chairman to get speakers to come forward and those Arabs who did, spoke at such length and with so many repetitions of historical and legal arguments, and of current developments that it was quite obvious they wished to fill in time. The First Committee's debates on these items lasted for three weeks, and the Tunisian item was not finally completed in Plenary until November 11. As far as we can tell, the Arabs' motives were:

(a) to enable Sir Zafrulla Khan to take part in the debate;

(b) to have their items discussed by the First Committee for as long as possible in order to dramatize their cause and sustain the morale of the nationalists in French North Africa; and

(c) to negotiate among themselves and with other groups as to what amendments or alternative resolutions might, if necessary, be put forward with a better chance of adoption than their own resolution.

The Afro-Asian Resolutions

Both Afro-Asian resolutions did, indeed, go farther than the General Assembly was in any mood to accept. On Morocco, their resolution provided for the Assembly to:

(a) Recommend that the existing state of martial law and all other exceptional measures in Morocco should be terminated, that political prisoners should be released and that all public liberties should be restored;

(b) recommend that democratic representative institutions for the people of Morocco should be established through free elections on the basis of universal suffrage;

(c) recommend that all necessary steps should be taken to ensure, within five years, the complete realization by the people of Morocco of their rights to full sovereignty and independence; and

(d) request the Secretary-General to communicate with the French Government with a view to the implementation of the resolution and to report to the General Assembly at its ninth session.

The Afro-Asian programme, in other words, was to attempt to get the Assembly to fix a specific goal of complete Moroccan independence within five years, the immediate removal of repressive measures and the establishment of democratic representative institutions in which there would be no provision for any special economic or political rights of the French "colons".

Having failed in Committee to win the support of even a simple majority for their Moroccan resolution, the Afro-Asian Delegations tabled a somewhat milder resolution on Tunisia on October 22. The main difference was that the Tunisian resolution did not attempt to fix a target date for the achievement of complete independence but recommended that negotiations should be undertaken without delay with Representatives of a Tunisian Government established through free elections held on the basis of universal suffrage and enjoying the necessary guarantees of freedom, with a view to enabling the Tunisian people to exercise all the powers arising from their legitimate rights to full sovereignty.

As it proved later, this was also too much for the Assembly. Not only did the Tunisian resolution imply that only the Tunisians (and not the French) possessed rights in the country, but it contained an implied criticism of the French Government for its failure to pursue the objectives of last year's resolution.

French Tactics

In the expectation that the Arabs would try to take the Assembly farther than it wanted to go, the French Delegation this year changed their tactics. Last year they had, with some reservations, encouraged or allowed certain Latin American and other delegations to put forward a moderate resolution recognizing the rights of both parties and urging them to continue negotiations towards developing free political institutions and self-government. It was clear early in the debate at the present session that the Assembly would not be prepared to go beyond these rather general exhortations to the parties concerned. The French Delegation therefore took the calculated risk this year of discouraging any compromise proposals in the hope that, left to themselves, the Arabs would be incapable of proposing anything sufficiently moderate to be adopted by the Assembly by the necessary two-thirds majority in Plenary. By a narrow margin, their tactics were successful. The General As-

sembly did not adopt any resolution on either Tunisia or Morocco at the present session.

Like last year, however, the French Delegation refused to take any part in the public proceedings of the Assembly concerned with the discussion of the Tunisian and Moroccan items and absented themselves from Plenary and Committee while these debates were continuing. When the First Committee commenced its consideration of the Moroccan question, the Chairman read a letter from the representative of France in which he informed the Committee that the French Delegation considered that such discussion represented outright intervention by the United Nations in matters which were essentially within the domestic jurisdiction of France. A resolution promptly submitted by Pakistan, requesting the Government of France to reconsider its decision and assist the Committee to come to a fair and equitable solution to the question, was withdrawn the next day when it became apparent that it would not have the unanimous support of the Committee. Although the Canadian Delegation would not have wished to have asked the French Government in this way to reconsider a decision it had just taken, we, nevertheless, expressed our regret later in the debate at French non-participation, and many other delegations did likewise.

With the French Delegation absent and as no attempt was being made by countries sympathetic with France to work out a mild resolution similar to last year's, a certain lassitude and air of unreality settled over the whole proceedings of the First Committee. A series of lengthy presentations of the Afro-Asian case, going into the legal, historical, political and social aspects in detail were made one after another, but the only real debate that developed was over the question of competence.

Competence

The delegations of the colonial powers, headed by the United Kingdom and Australia, argued as before that Article 2 (7) of the Charter clearly prevented the Assembly from discussing matters which fall within the domestic jurisdiction of France, for by treaty the foreign affairs of both Tunisia and Morocco are conducted exclusively by the French Government. The dispute was, therefore, between France and herself and was not an international matter in any sense. Moreover, as Sir Gladwyn Jebb argued with some force, it was unwise and perhaps dangerous for the Assembly to try to draw a distinction between competence to *discuss* and competence to *intervene* . Unless intervention of some kind was intended, discussion was aimless. In certain circumstances in which there was a highly explosive situation in a colonial area, any discussion might in fact touch off disturbances and thus prove to be a most effective form of intervention, whether so intended or not. Various speakers drew attention to the fact that previous Assembly discussion of these questions had been accompanied by violence in both Tunisia and Morocco.

The Arabs met this argument with more moderation and skill than in previous years. Far from denying the importance and validity of Article 2 (7), they accepted it but argued that what was at issue in Tunisia and Morocco was not a domestic matter. The very existence of international treaties which recognize the sovereignty of Tunisia and Morocco proved this point, they said, and the fact that France had been progressively encroaching upon the sovereignty of these two countries must

not allow the colonial powers to shelter behind the provisions of the treaties concerned which permitted the French Government to conduct foreign affairs on behalf of the Tunisian and Moroccan sovereigns.

In addition to their legal arguments, the Arab and Asian speakers cited as precedents several examples of items which the General Assembly had discussed at the request of the United Kingdom, Australia and other colonial delegations, items which they maintained fell within the area proscribed by Article 2 (7). For example, there had been the question of the Soviet wives of British subjects, the violations of the human rights provisions of the peace treaties with the Eastern European satellites, and the persecution of Cardinal Mindszenty[34] and others. The colonial powers could not adopt one interpretation of the Charter when it concerned items affecting the Soviet Union and another interpretation on items affecting France or themselves. If the human rights provisions of the Charter (Articles 55 and 56) were valid in one case, they had at least equal validity in the other. If it was proper for the Assembly to discuss violations of human rights by the Polish Government in its treatment of Polish citizens, it was surely proper for the Assembly to discuss violations of human rights by a French Government affecting not Frenchmen but Tunisians and Moroccans — peoples whose sovereignty had been recognized by international treaties between France and these territories.

The colonial powers could only answer this argument indirectly by pointing out that the Assembly, with the concurrence of the Afro-Asian group, had for some time been accepting reports from the French Government in respect of Tunisia and Morocco under Article 73 (e) of the Charter. Tunisia and Morocco had therefore been accepted by the United Nations as non-self-governing territories. The Afro-Asian group could not, therefore, base their case on the assumption of the sovereignty of Tunisia and Morocco. If Article 2 (7) was, as they maintained, applicable, then the only exception which could justify the Assembly in discussing the affairs of these territories was if a threat to international peace and security existed. It might be true that internal peace and security in Tunisia and Morocco were upset, but it could hardly be argued that there was a threat to international peace.

The Arabs replied that the Charter had to be read as a whole and that Articles 10, 11 and 14, as well as 55 and 56, had to be taken into consideration in addition to Article 2 (7). Where there was an apparent contradiction between Articles of the Charter, the Assembly, in the absence of a ruling from the International Court, had to decide whether it was competent to discuss, and if so, what action, if any, it was competent to take. If this argument were not admitted, however, they maintained that there was sufficient grounds for believing that the situation in North Africa might very soon become a real threat to international peace and security to justify an Assembly discussion; and they pointed to the fruits of French colonial policy in Indochina.

Although the United States Government under the new Administration were attaching greater importance than their predecessors to Article 2 (7), the United

[34] Le cardinal Josef Mindszenty fut mis en prison par le régime hongrois.
Cardinal Josef Mindszenty was imprisoned by the Hungarian régime.

States Delegation could not ignore the provisions of the Treaties [of] Algeciras, Fez, Bardo, and the Convention of La Marsa. Caught in a difficult legal and political position, Mr. Lodge sought to side-step the issue by maintaining, in his statement in the First Committee on the Moroccan question, that the Committee was not a Court and could therefore not be expected to hear evidence and sit in judgment on conflicting points of view in such cases. It was a statement that their Delegation soon found themselves saddled with, when it came to the bacteriological warfare item in which they might in other circumstances have liked the First Committee to behave as if it were a Court. At any rate, the argument gave the United States Delegation an excuse for saying very little in the subsequent debate on these two items, and, behind the scenes, for being of considerable assistance to the French in discouraging any compromise resolution which, with United States support, might easily have been adopted.

The Canadian position was as stated last year. Despite Sir Gladwyn Jebb's arguments concerning the artificiality of the distinction between competence to discuss and competence to intervene, Mr. Côté maintained that the distinction in practice was a useful one, especially in the absence of any judgment by the International Court.

Substance

Turning now to the debate on the substance of the issue between France and her North African territories, it must be admitted that no delegation really made a case in support of French policy. Those who clearly supported the French argued against the Arabs and Asians on legal grounds of competence rather than of substance. It was therefore left for the "middle of the road" delegations (such as the Scandinavian group, New Zealand, Canada and some Latin American delegations) to defend the position which the Assembly had taken at the last session in favour of continuing efforts for negotiations between the French on the one hand and the Tunisians and Moroccans on the other with a view to the achievement of self-determination and self-government of those peoples.

The Arab-Asian Case

Although the Arab and Asian Representatives were slow and repetitive in what they said, most of their case was largely unassailable. Starting from the objectives and principles defined by the Assembly last year in Resolutions 611 and 612, they had no difficulty in showing that in both Tunisia and Morocco, the French Government, far from proceeding in the direction indicated by the Assembly, had on the whole been going the other way. Negotiations between the parties with a view to bringing about self-government and the development of free political institutions in an atmosphere of goodwill, mutual confidence and respect, had not taken place. Instead, measures of martial law had been continued or intensified, the Sultan of Morocco had been deposed by what was pretty obviously a group of French stooges, more Nationalist leaders had been jailed and both territories had been kept in order only by the use of French troops and strong police methods.

Historically, Arab speakers painted a picture of progressive French "colonisation" which had been going on ever since French armies had forced the rulers of

Tunisia and Morocco to sign the treaties and agreements already mentioned. Under the guise of "reforms" and "pacification", the French had in fact been establishing an oligarchy of "colons" who were deriving about twenty percent of the economic benefits of an administration ninety-five percent financed by taxes levied on the Tunisian and Moroccan people. In the cultural sphere, the French had deliberately followed a policy of encouraging minorities, such as the Berbers in Morocco, to relearn their forgotten language and customs in order to wean them away from Arabic and Islam. In other areas, the reactionary "Brotherhoods" played their role of encouraging superstition and secretly assisting the French. One faction was played off against another and divisions created artificially in the classic manner of colonial rule. Indeed, after a brief experiment on more liberal lines had culminated in the reversal of policy in December, 1951, French policy was now undistinguishable from that of the "colons" who had always exercised such a large measure of control over successive governments in Paris in regard to their North African policies.

A few speakers from Asia and the Middle East granted that the French had developed North Africa economically and that from the point of view of wealth and welfare, the territories had certainly benefited from French rule. But as Sir Zafrulla Khan of Pakistan once again said most forcefully, for colonial peoples, "good government can be no substitute for self-government".

Canadian Position

As the Canadian representative, Mr. Côté, pointed out in the Moroccan debate in the First Committee on October 16, the historical experience of the Canadian people pointed to the value of peaceful evolution towards self-government; revolution is bound to make future collaboration between the parties difficult, if not impossible, regardless of the final outcome. Mr. Côté also drew from Canadian experience the usefulness, if not the necessity, of maintaining in this interdependent world economic, cultural and even political ties between the newly emerging state and its former protector. At the same time Canada recognized as a principal condition to the achievement of self-government, he said, the creation of competent administrative services, a practical understanding of democratic processes and insofar as possible a viable economy. Again from our own experience, he said, Canadians were particularly conscious of the necessity for the full protection of the rights of minorities.

Although Mr. Côté did not say so in his statement, the Canadian Delegation felt privately that two major difficulties of the Afro-Asian resolutions were that they seemed to assume:

(a) that only the Moroccans or the Tunisians had any rights in these territories; and

(b) that there should be no provision in the constitution of an independent Tunisia or Morocco for the protection of the political and economic rights of the large number of French "colons" who had such a big economic stake in both territories.

By attempting to define, in categorical and critical terms, action which should now be taken by France to give her North African territories complete freedom and sovereignty, the ArabAsian countries were, the Canadian Delegation felt, going further

than it would be appropriate or useful for the Assembly to go in present circumstances.

Disappointment with United States position

A recurring theme, especially in the statements of the able Syrian Representative, Dr. Zeineddine, was his disappointment over the attitude of the United States Delegation. At one point in the Moroccan debate in the First Committee he remarked bitterly that if there were more Communists in French North Africa, the United States attitude would have been different. Although there were few Communists there today, he warned that North African nationalism could not indefinitely be put off and ignored by the United Nations. If Asian and Arab attempts to gain national liberation for the North African peoples who had not already achieved it were frustrated, these peoples could not be expected to wait passively forever. They would inevitably turn to more violent methods, to revolution rather than evolution. Indochina showed them the way. The United States might think that it was keeping France as a firm ally by supporting her in North Africa for reasons of political expediency in the interests of European and Western defence. This might turn out to be a short-sighted view, for it was prejudicing the friendship and goodwill, not only of the people of North Africa but of all their comrades and co-religionists from North Africa to Indonesia.

A Round Table Conference?

If the Arab and Asian delegations were disappointed by the negative attitude adopted by the United States and most of her allies, it can at least be said that the disappointment was mutual. From the protracted and discursive debate, only one suggestion of a constructive nature was made by one of the delegations sponsoring these items, and it was abandoned almost as soon as it had been put forward. On the first day of the debate on the Moroccan question, Mr. Amjad Ali[35] of Pakistan proposed that the French and Moroccans might usefully take a leaf out of the book of Anglo-Indian relations and convene a Round Table Conference of representatives of the major political parties on both sides. Mr. Amjad Ali referred to the London Conferences held on similar lines in the early 1930's which had paved the way for the constitutional reforms of 1935 and eventually for independence. He coupled his proposal with an appeal to the French to return to the Committee and when this appeal was ignored the Afro-Asian group apparently decided that there would be no point, in the absence of the French, in pursuing the idea further and it was not mentioned again.

Compromise Proposals

Instead, it was left to others outside the Afro-Asian group to come forward with compromise proposals. In the case of the Moroccan item, several Latin American delegations, including Mexico, were active in the formulation of an alternative resolution but hesitant, in view of French and United States opposition, about tabling

[35] Représentant, délégation du Pakistan à la septième session et à la huitième session de l'Assemblée générale des Nations Unies.
Representative, Delegation of Pakistan to Seventh and Eighth Sessions of General Assembly of United Nations.

it. Finally the Bolivian Delegation, for reasons perhaps not unconnected with their interest in securing Arab votes for their candidate for the forthcoming elections to the International Law Commission, tabled a compromise resolution on October 16. This resolution, in its operative part, asked the Assembly to renew its appeal for the reduction of tension in Morocco, again expressing its confidence and hope that the free political institutions of the people of Morocco will be developed in conformity with the Charter. As amended by India, Indonesia and Burma, the final phrase of the resolution was changed to read: "urges that the right of the people of Morocco to free democratic political institutions be ensured"; in addition, a fifth paragraph was added to the preamble: "recognizing the right of the people of Morocco to complete self-determination in conformity with the Charter". As the Indian representative in the First Committee said when introducing his amendments, they represented the "irreducible minimum" of Assembly action which the sponsors of the item could accept.

Voting on Moroccan resolutions

These Indian amendments (and two or three others of less consequence) were carried in Committee against the votes of the United States, the "old" Commonwealth and Western European delegations, with the exception of the Scandinavian delegations who supported them. The amended Bolivian resolution was then adopted on October 19 by a similar division, the vote on the resolution as a whole being 31 in favour, 18 against (the United States, "old" Commonwealth, Benelux, Chile, Colombia, Cuba, Dominican Republic, Ecuador, Haiti, Honduras, Nicaragua and Panama) with 9 abstentions (Brazil, El Salvador, Greece, Israel, Paraguay, Peru, Turkey, Uruguay and Venezuela).

It should here be explained that the Indian amendments to the Bolivian resolution were not submitted until the last moment before the First Committee voted on the Bolivian resolution. The Indians and the delegations they represented had not wished to table their amendments to the milder Bolivian resolution until the Committee had voted on the Afro-Asian resolution. When this had been defeated, as had been generally expected, by a vote of 22 in favour, 28 against (including Canada), and 9 abstentions, the Afro-Asian group felt free to try to secure the adoption of a milder resolution but one nevertheless reasonably satisfactory from their point of view.

The voting in Plenary on the amended Bolivian resolution took place on November 3rd and followed a similar course, with the important exception that the United States and Canada abstained instead of voting against the fifth paragraph of the preamble ("recognizing the right of the people of Morocco to complete self-determination"), and Canada also abstained on the operative paragraph of the resolution. The Canadian decision to abstain on the fifth paragraph of the preamble may have tipped the scales in the United States Delegation's change of vote on this paragraph. As the operative paragraph of the resolution was defeated by 32 to 22 with 5 abstentions, a two-thirds majority being required for adoption, the resolution as a whole was defeated, for, under Rule 89, when the operative part of a resolution is defeated the preamble alone cannot be put to the vote.

For the record, the voting by paragraphs on the amended Bolivian resolution in Committee and Plenary, showing how the Canadian Delegation (indicated by "C") voted in each case, is given below:

		Committee Vote			*Plenary Vote*		
Preamble Paragraph	1.	41 (c)	– 9	– 9	41(c)	– 9	– 9
	2.	36 (c)	– 8	–15	36(c)	– 8	–15
	3.	35p	–14(c)	–10	35	–14	–10(c)
	4.	31	–23(c)	– 5	31	–23(c)	– 5
	5.	37	–13(c)	– 9	31	–13	– 9(c)
Operative Paragraph	1.	32	–22(c)	– 5	32	–22	– 5(c)

Voting on the Tunisian Resolution

Having failed to secure the necessary two-thirds majority needed for the adoption of a resolution on Morocco, the Afro-Asian group not only tabled a milder resolution on Tunisia in the First Committee, as has already been described, but subsequently encouraged the Delegation of Iceland to table amendments which were intended to secure the adoption of their resolution when it finally came before the Plenary on November 11th. The First Committee had passed the Afro-Asian resolution on Tunisia on October 26 by a vote of 29 to 22 (including Canada) with 5 abstentions, after deleting the second and third parts of the first operative paragraph. The Icelandic amendments deleted the third paragraph of the preamble and both operative paragraphs, substituting in place of the first operative paragraph: "recommends that negotiations between France and Tunisia be undertaken to ensure the realization by the people of Tunisia of their right to self-determination".

The above Icelandic paragraph was adopted by 32 in favour, 16 against (the United Kingdom, Australia, South Africa, Benelux, Colombia, Cuba, Dominican Republic, Ecuador, Haiti, Honduras, Israel, Nicaragua, Panama and Paraguay) with 11 abstentions (Canada, the United States, Brazil, Chile, Costa Rica, El Salvador, Greece, New Zealand, Peru, Turkey and Venezuela). The other two Icelandic amendments deleting the third paragraph of the preamble and the second paragraph of the operative part carried by 39 in favour (including Canada), 4 against and 10 abstentions (including the United States which abstained even on the deletion of a paragraph it had publicly opposed).

On the resolution as a whole as amended the vote was 31 in favour, 18 against (the 16 mentioned above plus the United States and Turkey) and 10 abstentions (including Canada). The amended resolution on Tunisia therefore also failed of adoption under the two-thirds rule.

Again for the record, the voting by paragraphs in Committee was as follows (the Plenary vote was different because of the Iceland amendments already analyzed):

Preamble Paragraph	1.	38(c)	–11	– 5	
	2.	36(c)	– 5	–13	
	3.	29	–16(c)	–11	
	4.	33	–13	–10(c)	
	5.	34	–14(c)	– 8	
Operative Paragraph	1.a	32	–19(c)	– 5	
	1.b	23	–26(c)	– 7	(rejected)
	1.c	22	–26(c)	– 8	
	2.	26	–25(c)	– 5	

Conclusions

By a slim margin, the French "calculated risk", of discouraging compromise proposals in the hope that the Assembly might adopt no resolution on either Morocco or Tunisia this year, paid off. Had the United States not adopted such a negative attitude to the whole discussion, it is quite clear that the Assembly would have passed resolutions on both subjects. The United States, Canada, and other friends of France preferred this year to leave last year's resolutions on the books, rather than adopting what the Arabs might well have interpreted as a "watering down" of the position taken by the Assembly last year.

Although furious with the United States Delegation in particular and with the West in general for what Zafrulla Khan termed the shocking gap between what we practice and what we preach in regard to self-determination of peoples, the Arabs were nevertheless able to claim a "moral victory". Both resolutions secured the support of a substantial majority of the Assembly, although not quite the two-thirds needed for adoption.

Whether or not the Arabs return to the charge next year will probably depend in large measure on what the French Government do in the intervening months. With a new Resident-General already installed in Tunisia and a favourable atmosphere for real negotiations created by the lifting of many repressive measures of martial law after the Assembly had concluded its debate, and with the prospective appointment of a new French Resident-General in Morocco, the French now have their best chance in recent years to redeem their position in North Africa by negotiating genuine reforms in both Tunisia and Morocco. That is the sincere hope of those delegations which supported the French this year. For it is all too apparent that the West has little to be proud of in the past record of French administration in French North Africa and much to fear if French policy is not radically and rapidly liberalized.

APPENDIX "B"

A/2526

Note: The operative paragraph of this resolution failed by a vote of 32 in favour to 22 opposed, with 5 abstentions (including Canada) to secure the required two-thirds majority in the vote in Plenary.

THE QUESTION OF MOROCCO

The General Assembly,

Having considered the question of Morocco proposed by fifteen Member States in document A/2406,

Recalling General Assembly resolution 612 (VII) of 19 December 1952,

Considering that the motives and objectives of that resolution had and continue to have the merit of recognizing the necessity for the development of the free political institutions of the people of Morocco,

Considering that the fact that this item has been included in the agenda of the General Assembly at its eighth session indicates that those objectives have not yet been fulfilled,

Recognizing the right of the people of Morocco to complete self-determination in conformity with the Charter,

Renews its appeal for the reduction of tension in Morocco and urges that the right of the people of Morocco to free democratic political institutions be ensured.

APPENDIX "C"

A/2530

Note: This resolution as a whole as amended failed by a vote of 31 in favour, 18 opposed, with 10 abstentions (including Canada) to secure the required two-thirds majority in the vote in Plenary.

THE TUNISIAN QUESTION

The General Assembly,

Having considered the question of Tunisia, as proposed by fifteen Member States in document A/2405,

Recalling its resolution 611 (VII) of 17 December 1952,

Noting that the objectives of this resolution have not yet been achieved,

Desirous of creating the necessary conditions for the restoration between France and Tunisia of normal relations based on the principle of equality of rights of nations large and small,

Convinced that full effect should be given to the sovereignty of the people of Tunisia by the exercise, as early as possible, of their legitimate rights to self-determination and self-government in conformity with the Charter,

1. *Recommends* that all necessary steps be taken to ensure the realization by the people of Tunisia of their right to full sovereignty and independence;

2. *Requests* the Secretary-General to transmit the present resolution, together with the record of the proceedings, to the French Government and to report to the General Assembly at its ninth session.

310. DEA/4283-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en France

Secretary of State for External Affairs
to Ambassador in France

DESPATCH S-1411 Ottawa, December 22, 1953

CONFIDENTIAL

MOROCCO AND TUNISIA IN THE UNITED NATIONS

When the Morocco and Tunisia items were being debated at the eighth session of the General Assembly, the French Embassy, perturbed by our general position of abstention on the Morocco resolution, made representation to the Department with a view to urging us to oppose in plenary the resolution on Tunisia. Mr. de Laboulaye of the French Embassy spoke to Mr. Holmes and other officers of the Department on this subject on November 9. Attached, for information, is a copy of a memorandum for the Minister, dated November 10, which reviews the issues discussed at this meeting. Paragraph 4 of the memorandum summarizes the considerations governing the position which the Department has maintained on the Moroccan and Tunisian questions in the United Nations. On the one hand, we have certainly not wished in our voting to offend France or to cause trouble for France in North Africa. On the other hand, we have had to take into account the views of our Asian associates in the Commonwealth and of the Arab and Asian states generally. We have weighed these factors with others, and with the fact that, on the legal question of competence, we find it useful to draw a distinction between "competence to discuss" and "competence to intervene".

2. Should the French authorities speak to you at any time about the Moroccan and Tunisian items, we shall be interested to have your report on their views. It may be that Mr. Day[36] will have occasion to supplement the series of reports he is currently sending us by reviewing the effect of the United Nations discussion and voting on French official opinion generally. In the event that the French authorities themselves bring up our voting record, it would be useful to bring to their attention again the varied considerations which we have had to weigh in the balance in formulating our policy. We have been referring to you our correspondence with the Canadian Delegation to the United Nations while the debates on Morocco and Tunisia were in progress, so that you know our thinking on these subjects and the way the Delegation voted. You will also be receiving, in due course, the Delegation's

[36] A.A. Day, ministre-conseiller, ambassade à Paris.
A.A. Day, Minister-Counsellor, Embassy in Paris.

Report on these problems as dealt with in the United Nations General Assembly this year.

J.A. CHAPDELAINE
for Acting Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

DEA/11033-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], November 10, 1953

GENERAL ASSEMBLY: MOROCCO AND TUNISIA

Last week the French Embassy telephoned the Department to ask if the Ambassador could have an appointment to see you about Tunisia and Morocco. Since you were absent, Mr. de Laboulaye, Counsellor of the Embassy, saw Mr. Holmes on this subject on Monday, November 9.

2. Mr. de Laboulaye said that his Government were somewhat perturbed by our abstention on the Morocco resolution in Plenary. It was pointed out to him, however, that the resolution on Morocco was not voted on as a whole in Plenary. We had, indeed, abstained on a number of clauses (including the operative), but we voted against one clause (fourth clause of the preamble) because we considered it critical of France. Our abstention was on individual clauses and not on the whole resolution. Furthermore, in abstaining on these clauses, we recognized that the result would be the defeat of the resolution as a whole, since in its existing form it was not expected to get a two-thirds majority vote.

3. The reason for Mr. de Laboulaye's visit was to urge us to vote against the resolution on Tunisia in Plenary. His Government had received information to the effect that the Arab-Asian States were planning to introduce far-reaching amendments to their resolution as adopted in Committee so as to modify it sufficiently for it to pass in Plenary by a two-thirds majority vote. In urging us to vote against such a resolution as amended, Mr. de Laboulaye used the following arguments:

(a) The true intentions of the Arab-Asian States were revealed in the first resolution on Tunisia which was extreme and offensive. If these States were now amending the resolution to make it mild and apparently unoffensive, this was but a change of tactics and their true intentions remained unaltered. What they wanted was a resolution of some kind which they could exploit in their broadcasts to the Tunisians and Moroccans, thereby distracting them into expecting further intervention by the United States. It was surely not Canada's policy to help those trying to cause trouble for France, a fellow-member of NATO. The resolution on Tunisia, even if

mildly worded, would be used to create trouble for France in the area. Therefore, Canada should vote against it.

(b) To vote for a resolution this year meant more than to have voted for one last year because it implied that not enough had been done by France in the intervening period, which was not correct.

(c) Our abstention on some clauses of the Morocco resolution, when the whole resolution was going to fail in any event, had little adverse effect, it was true. But a Canadian abstention on the Tunisia resolution as a whole would have a much more serious effect: the resolution would probably be mild enough to secure wide-spread support and Canadian abstention might result in the resolution passing by a two-thirds majority vote. The only way Canada could help defeat the resolution would be to vote against it.

4. Mr. de Laboulaye was told that we had not yet seen any of the proposed amendments to the Tunisia resolution so that we could not give him any definite information on what our position would be. He was told that we doubted if we could agree to his request that we should vote against the resolution en principe regardless of the wording. We would certainly not want to cause trouble for France and we were aware of our mutual interests, but we also had to give some thought to our associates in the Commonwealth, some of whom could not understand how we could vote against simple declarations of belief in self-determination of peoples, a principle already established in the Charter.[37] He was assured that the views and wishes of the French Government would be given full consideration and that Mr. de Laboulaye's arguments would be brought to your attention.

5. Before departure, Mr. de Laboulaye mentioned that, if you wished, the Ambassador would be happy to speak to you personally on this subject.

6. We still have no information from New York on the amendments which the Arab-Asian States are evidently planning to introduce. We have wired the Delegation about it.

H.H. WRONG

[37] Note marginale:/Marginal note:
I agree. [L.B. Pearson]

SECTION H

ÉVALUATIONS
ASSESSMENTS

311. DEA/5475-DW-27-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

DESPATCH 83 New York, November 14, 1953

SECRET

GENERAL ASSEMBLY — AN INTERIM ASSESSMENT

Reference: Your teletype No. 195 of November 5.†

With two-thirds of the session behind us, an appreciation of the work of the Assembly to date may perhaps be useful.

2. The Assembly decided at the opening of the session that its agenda should be completed by December 8. The disposition of the question of Korea, placed on the bottom of the agenda of the Political Committee, remains uncertain, but with this exception it appears at this date that sufficient progress has been made to ensure that the agenda will be completed on the date fixed.

General Summary

3. When the session commenced, with an agenda consisting for the most part of old problems that the Assembly had discussed at length in previous sessions, it was expected that it would be dull. This expectation was based in part on the assumption that the great political issues would be under discussion during the Eighth Session but outside the Assembly. In fact, no Korean Conference has been held, and no meeting of the Great Powers on Germany has been arranged. Those items which the Assembly has discussed have not been unimportant, but those with the greatest political implications — Korea and United Nations personnel policy — still remain to be dealt with in its final weeks.

4. In summary, an assessment of the general atmosphere of the Assembly might be made in very broad terms in relation to the cold war, colonial questions, and questions of economic aid to under-developed countries, and the extent of co-operation as between those countries which we regard particularly as our friends.

5. In so far as the attitude of the Soviet bloc is concerned, it cannot be said that any hopes for a relaxation of international tension, further to the small signs apparent during the past seven months, can be soundly based on anything that has happened so far at this Assembly. On the contrary, the Soviet bloc has firmly stated its traditional policy on all matters of concern without the slightest sign of attempting to meet the views of its opponents. In some respects their attitude has been one of

marking time, and if hostility has not disappeared it has been less in evidence and has not increased. In matters of little direct concern to the Soviet bloc, they have taken little or no part and have not, as heretofore, introduced propaganda into almost every subject. Their speeches on matters which they feel concern them directly have often been bitter, but not as virulent as in the past, and in their social contacts Soviet Delegates have been much more friendly than in times past.

6. On colonial questions, including Tunisia and Morocco, and other questions relating to the development of self-government, and in items relating to racial discrimination, the anti-colonial group have had the problem of pressing the Assembly for further action in matters on which it has become apparent that an early solution by Assembly action will not be achieved. The debates have therefore lacked a sense of reality and have given the impression that the countries concerned, while no less deeply impressed than before with the importance of the aims for which they strive, are acting under the compulsion of ensuring that principles are maintained, that their position is not prejudiced, and perhaps that public opinion may slowly be moved, rather than in the hope of real immediate achievements.

7. The under-developed countries have also faced in the Second Committee the problem as to the best manner of gaining Assembly support for policies which they are fully aware require the cooperation of the economically-developed countries and on which immediate action is not yet a practical possibility. Their activities have therefore been directed towards gaining acceptance in principle of proposals which they hope will be implemented in the future for the establishment of an international economic development fund and an international finance corporation. The debates on these subjects and the resolutions under discussion are of importance in the mobilising of public opinion, but there is no expectation of results being quickly achieved. In the field of technical assistance it was encouraging to find that continued support for the programme is assured. Canada's announcement of increased support was timely and well received.

8. In all of the matters so far before the Assembly there has been no open divergence of view of any importance among those countries with which Canada usually acts in concert. It is nonetheless true that in behind the scenes discussions as to the wisdom of the United States in including certain items on the agenda and in respect of the Korean and United Nations personnel items, there has not always been an identity of outlook.

9. In support of these broad impressions we have set out below our comments on the principal items with which the Assembly has been concerned with some reference to those which it faces in the immediate future.

Political Matters

10. Assembly discussions have brought out a divergence of views as to whether negotiations with the Soviet bloc might now be fruitful and as to the appropriateness of discussing at this Assembly certain items involving condemnation of the Soviet bloc in specific matters.

11. Although the cards have seemed stacked against any meeting of the Powers on Germany, and even on Korea, many delegations have urged at this session the desirability of *private talks being held among the major powers*. Mr. Krishna Me-

non made this one of his major points when he spoke for the Indian Delegation in the opening debate in Plenary. His proposal was finally adopted in modified form during the Disarmament debate when the Western countries agreed that the Disarmament Commission should be asked to consider appointing a sub-committee of the powers principally concerned to seek in private an agreed solution. The powers principally concerned would in this case probably include Canada.

12. Impelled by the obvious shortcomings of *open diplomacy* on the United Nations model, the middle and smaller delegations made more appeals at this session than ever before for attempts to be made in various fields to break the present deadlock through private negotiations, in or out of the United Nations. Perhaps no one made this point so strongly as the leader of the Canadian Delegation in his opening statement in Plenary when he warned, with due acknowledgment of our debt to the press, that we must not allow open diplomacy to become frozen diplomacy.[38]

13. Two prime examples of United Nations issues which have become or are becoming hardened from exposure exclusively to open diplomacy are the questions of Chinese representation and Charter revision.

14. The question of *Chinese representation* in the United Nations was, by agreement among the Western Powers, postponed once again for the duration of the present session in the present calendar year. A split between the United States and the United Kingdom was thus avoided, and the Chinese Communists were given a few months in which to demonstrate their good faith and intentions. Their refusal to come to a political conference on Korea will be taken by the United States as evidence of their bad faith and as an argument for extending the Assembly's postponement of any consideration of this question; though in fact the Chinese Communists cannot be expected to be too enthusiastic about a Conference in which they are refused in advance the recognition they want.

15. In the meantime, the issue colours every election of a United Nations body and many political issues, including the much disputed composition of the Korean Political Conference. For this reason more than any other, the United States worked hard to secure the *election of Turkey* rather than Poland to the Security Council and eventually succeeded despite the fact that the election was supposed to be for the so-called "Eastern European seat" and that Turkey, as recently as 1952, represented the Middle East on the Council.

16. The Chinese representation issue also precluded once again any serious discussion of the *admission of new members*. Since to have admitted any of the Communist candidates would have weakened the logic of the United States position in refusing to admit Communist China, the United States Delegation could not consider any version of the package proposal offered by the Soviet Union in the Ad Hoc Committee, either in the form of the familiar fourteen-member package or in the "little package", proposed this year for the first time, consisting of Italy, Finland, Bulgaria, Roumania, and Hungary. As a result, the Assembly finally agreed to

[38] Voir:/See:
L.B. Pearson, "Statement by the Chairman of the Canadian Delegation to the Eighth Session of the United Nations General Assembly", United Nations, New York, September 23, 1953. Department of External Affairs, *Statements and Speeches*, 53/37.

adopt unanimously a resolution setting up a Committee of Good Offices (consisting of Egypt, the Netherlands, and Peru) who will see what they can do to facilitate agreement among the countries concerned and report to the present session or at the latest to the ninth session. This resolution will have the effect of shelving what is at present an insoluble problem for another year.

17. If public opinion in the United States has made any immediate solution of the question of Chinese representation in the United Nations virtually impossible, a similar hardening of United States public opinion may be in the making on the question of *Charter revision*. Shortly before the Assembly opened, Mr. Dulles, in a statement to the American Bar Association, made it appear that the United States was committed to amending the veto when the Charter came up for revision in 1955-56. He urged the Bar Association and other private groups in the United States to study how the Charter could be improved with particular reference to the veto.

18. Whether or not it was intended to do so, Mr. Dulles' efforts to promote a vigorous United States stand against the veto frightened the Soviet Delegation and made them strongly oppose any preliminary preparations for Charter revision whatever. As a matter of practical arrangements, however, some preparations are obviously going to be needed if the proposed Charter Revision Conference to be called by the 1955 Assembly is to have any hope whatever of accomplishing its task in a business-like way. Under the present Charter, the agreement of the Soviet Union and the other permanent members of the Security Council is necessary for any revision of the Charter to be made. On the face of it, this gives the Soviet Union ample protection; but they are nevertheless fearful of American intentions and of talk of extending the powers of the General Assembly at the expense of the Security Council, or other manoeuvres to reduce the scope of the veto. Nor are they alone among the permanent members in seeking to protect their veto power: both France and the United Kingdom would be most reluctant to lose theirs or have it reduced; and so, for different reasons, would China.

19. It was, therefore, inevitable that any resolution recommending that preparations be made for the Charter Revision Conference would be controversial. This was indeed the case. Nevertheless, a useful resolution amalgamating several similar ideas was co-sponsored by Canada in the Sixth Committee and finally adopted almost unanimously in much the form we desired.

20. Most delegations of Western Europe, to say nothing of the Arabs and Asians, deplore the timing of the United States moves to have the Assembly discuss such loaded *propaganda items* as forced labour and prisoners of war in the Soviet Union, bacteriological warfare, and finally, (in the middle of negotiations for getting the Korean Political Conference to convene) the United States Army's report on communist atrocities in the Korean war. None of these items need have come up at the present session. All the major allies of the United States would have preferred to have kept them back until the Korean Political Conference had at least met and failed, or until some other turn of events not of our causing had terminated the more conciliatory phase of foreign policy on which the USSR had apparently embarked last spring. But none of the main allies, after the debate over Indian par-

ticipation in August, was prepared to carry its disagreement into public opposition to the United States on any of these points, while the United States Government, more acutely aware of the pressures of Congress than of its allies, suffered no such inhibitions and could therefore have its way anytime it really wanted it.

21. An added difficulty for those who thought that it was a mistake to put these items on the agenda at this session was that few countries will now vote against the inclusion of a subject on the Assembly's agenda, so wide is its acknowledged competence to discuss matters. For example, the Assembly decided by 53 votes to 5 (Soviet bloc), with only India and Guatemala abstaining, to put the Korean atrocities item on the agenda, although the Asians who voted for inclusion did not welcome the submission of the item.

22. The only one of these "cold war" items which has so far been debated is *bacteriological warfare*. Dr. Mayo (of Clinic fame) presented sufficient documentary evidence to clinch the point that the so-called "confessions" of American airmen, circulated to the Assembly with much fanfare by the Communists last winter, were extorted by means which left those who heard him wondering what they would not have signed their names to under similar pressures. This chapter, therefore, may have been of some permanent value in nailing down a communist lie which could otherwise have been more readily dusted off and used again at any time. Moreover, the United States Delegation gained some credit for their restraint in not submitting a resolution condemning those who make charges and refuse to have them investigated.

23. In justification of their decision to include some propaganda items despite signs of a more conciliatory and business-like approach on the part of the Soviets, the United States Delegation would say that the Communists, here as elsewhere, have more respect for a "*two-fisted*" *diplomacy* (to use Mr. Lodge's phrase) than for a "soft" policy of "empty gestures" and concessions; that they react better to strength than to weakness; and that the United Nations is the place to "show them up" before the world. Having in mind not only the importance of solidifying United States public support for the United Nations against the increasing number of corrosive domestic influences, but also his own political future in this country, Mr. Lodge has been attempting to "put the Russians in their place" to the satisfaction of his own immediate audience. He has shown less concern for the reactions of other parts of the world, and has been less forthcoming in his consultations with his principal colleagues, while, in the interests of security from press leaks, he has greatly curtailed the freedom of his delegation to discuss matters of common concern with the rest of us. In the case of the atrocities report, there was no advance consultation whatever, although we understand that this was not the fault of the United States Delegation so much as the achievement of a fait accompli by the Defence Department and Congress. At any rate the combination of poor consultation and a primary concern for domestic rather than foreign reaction have been, as we see it, the basic reasons why the Western team in the United Nations, although the cracks have been papered over, is not pulling together as it should.

24. Where most of the allies of the United States were treading softly in an effort not to disturb the improved international atmosphere, the United States Delegation

doubted that the atmosphere had really improved and suspected that the underlying motive in the shift of Soviet tactics was to divide the Western Alliance. From their point of view, until there were Soviet deeds to prove the sincerity of the new Communist posture, it was better for the United Nations to "face facts" rather than to try to protect itself from reality with a thick layer of cotton wool.

25. Despite some old-fashioned Vishinsky billingsgate when we discussed bacteriological warfare, Korean atrocities, and the western disarmament proposals, it may be premature to conclude from such evidence that the Soviet Union has pulled back from the "new look" of its post-Stalinist foreign policy and reverted to "cold war as usual" in the United Nations. This is the way in which some United States press and delegation circles interpret Soviet performance here, but it is, in our opinion, a hasty over-simplification. Rather, it has seemed to us as if Soviet delegates are growing tired of saying the same old things year after year, and would now prefer to cultivate the deliberate impression, among the smaller delegations especially, that if only the Americans would not be so tiresome and bellicose, "everything in the garden would be lovely".

26. This is, of course, a very intelligent Soviet propaganda line in present circumstances and might have more effect if it came from less suspect quarters. It is true that a good many more criticisms of the United States than usual have been heard in the corridors, but the Russians have, for the most part, to thank the Americans rather than congratulate themselves for this state of affairs.

27. Perhaps the current *disarmament* debate has brought out more clearly than at any previous time at this session the dissatisfaction of the smaller and middle powers with the present paralysis in the United Nations and the deadlock between the major powers, stuck behind long dead formulations of their respective positions. Mr. Vishinsky's arid repetition of the old Soviet line — "prohibit the bomb and we'll see about control" — was pretty depressing. It was hard for the smaller powers to see what they could do to help break the deadlock. The faithful old philosopher-orator, Dr. Belaunde of Peru, complained that the smaller powers in the Assembly were becoming nothing more than a kind of Greek Chorus, brought onto the stage to comment sadly upon the tragedy of the Heroes whose fate they share without sharing in the responsibility for their actions. The Egyptian representative was still more forthright, calling upon the smaller countries to take up their "rightful role" in the United Nations and not remain passive bystanders in a universal catastrophe. Their speeches were symptoms of the sense of frustration which is probably more acute at this Assembly than before — not because matters are worse, but because we all thought we had reason to hope in recent months they would be much better.

28. The topics which have taken most of the time of the Political Committees have been *the North African and one of the two South African items*. The question of Indians in South Africa has been completed but the debate on South Africa's racial policies is still to come. In the case of the North African and of the *apartheid* items, the outstanding fact is that the new Administration in the United States has, at this its first complete session, adopted a more conservative approach to the problem of *competence*. This has also been evident in the Fourth (or Trusteeship) Com-

mittee, where the United States has itself been under attack for going through the motions of making Puerto Rico independent and self-governing without making full Puerto Rican sovereignty a fact, and has, like the Dutch in the case of Surinam and the Antilles, maintained that it (and not the Assembly) is competent to decide when one of its territories has "graduated".

29. The impact of the "new look" in United States policy, and the narrower interpretation of the domestic jurisdiction clause of the Charter (Article 2(7)) now being given by the United States, came as something of a shock to the countries most vitally interested in promoting Arab independence in *Tunisia and Morocco*. Had they known how nearly the United States came to voting against "the right of the people of Morocco to complete self-determination in accordance with the Charter", they would have been still more shocked. In fact the United States did vote, so to speak, "against the Charter" in Committee but, thanks partly to Canadian influence, abstained on the principle in Plenary.

30. United States opposition was decisive and both the Tunisian and Moroccan resolutions failed to gain the two-thirds majority needed for adoption. This leaves on the books last year's exhortations to the parties to negotiate but it has given the Arabs a sense of grievance which could become dangerous if the French do not make the best possible use of the next few months to improve matters, at least in Tunisia.

31. The French Delegation again refused to take part in any debate on Tunisia and Morocco and absented themselves from Committee and Plenary when these subjects were being discussed. In the knowledge that they would be supported by the United States this year, the French decided to discourage the introduction of any compromise resolution comparable to the Brazilian resolutions adopted at the last session. They calculated that the Arabs could be counted upon to propose resolutions which would go too far to be adopted, and they hoped that if no well-meaning delegation introduced compromise proposals, the result might be that the Assembly would adopt no resolution on North Africa at its present session. Contrary to our expectations, their tactics succeeded, and they won their calculated risk, although by any yardstick their policies in North Africa during the past year have been almost the reverse of those which received the blessing of the Assembly a year ago.

32. French tactics would have been futile without the behind-the-scenes support of the United States Delegation. The support of the United Kingdom Delegation and of the other colonial powers, the French could more or less take for granted in view of their restrictive interpretation of Article 2(7), but for the United States to discourage a moderate resolution was a reversal of the position it had adopted at the last session. It did so, we suspect, not only on grounds of competence but because it wanted to keep the French Government trying for ratification of the European Defence Community and firm in their fight in Indo China.

33. Unlike the United States, Canada's position on Tunisia and Morocco was almost unchanged and we therefore found ourselves a step ahead of the Americans, from the Arab point of view, on most of the votes. Largely in deference to France, however, we abstained on the much watered-down version of the Tunisian resolu-

tion which would have been no substitute for last year's more complete resolution which we had supported.

34. It can at least be said in favour of this year's Assembly debate on North Africa that it did not seem to have any violent repercussions in French North Africa as it did last year, but this is probably attributable to the more effective measures of French control taken in the interim rather than to any moderation in the presentation of the Arab case. What weakened the vitality of the debate in the Assembly was the complete lassitude with which the Arab case was heard by the United States and most of the Latin American countries which last year had made a serious attempt to produce a constructive resolution on middle ground.

35. As in the First Committee's debates on North Africa, the "cold war" was remarkably little in evidence in the Ad Hoc Committee's debates on the South African item and the general tone of the debate was moderate and restrained.

36. The discussion of the treatment of *Indians in South Africa* brought about the adoption of a resolution which condemned South Africa and appealed to it not to implement discriminatory legislation, while at the same time re-appointing a Commission which would attempt to mediate, and in addition investigate. A previous Commission had failed to achieve any results and many states considered the appointment of a new one was of doubtful utility. The proposal to investigate the affairs of a member state and the direct appeal to a country to alter its legislation appeared to many countries as going very far indeed in disregarding that part of the Charter which excludes the competence of the Assembly in matters of domestic jurisdiction. This resolution therefore caused difficulty not only for those states which have consistently taken a conservative view as to the competence of the Assembly in matters of domestic jurisdiction, but also for a number of other states which take a more liberal view of the Assembly's competence. It is indicative, therefore, of the widespread disapproval of South Africa's policies that the resolution was adopted by a large majority with South Africa alone voting against it. A number of countries which had strongly opposed particular parts of the resolution which they considered clearly involved interference in matters of domestic jurisdiction, should logically have voted against the resolution as a whole but they abstained or as in the case of the United States, voted in favour of it. Canada abstained throughout on the various parts of the resolution and on the resolution as a whole and therefore perhaps showed a trifle less opposition to a restrictive interpretation of the competence of the Assembly than a number of other middle-of-the-roaders.

37. In spite of some bitter exchanges between the Arabs and Israel, the Ad Hoc Committee's debate on *Palestine refugees* was on the whole maintained at a level in keeping with the primarily humanitarian nature of the problem. In view of the political situation, in which the Arabs maintained that all refugees must be repatriated and Israel as stoutly refused, the Committee tacitly agreed with the Director of the Relief and Works Agency that "rehabilitation of all refugees is for all practical purposes impossible", and extended the Agency's mandate until June, 1955. When this item comes up next year, however, the Assembly will have to come to grips with the problem of what to do with the refugees after 1955. So far, the Arabs have

refused to agree to accept responsibility for the bulk of the refugees in return for financial aid from the United Nations towards their resettlement.

38. After the sense of unreality which pervaded the Assembly's discussions of the North and South African items, it was a refreshing change to come to the *Burmese item*, for here action recommended by the General Assembly was being taken to ease what everyone almost without exception agreed has been an intolerable situation for Burma which it has borne with remarkable patience for the past four years.

39. No sooner had the debate begun than the United States representative was able to make the dramatic announcement that agreement had been reached between the Bangkok Committee of representatives of the United States, Nationalist China and Thailand under which about 2,000 "hard-core" Chinese of General Li Mi's army will be repatriated by air to Formosa before November 23rd. The Burmese Government, the announcement continued, had concurred in this agreement although it was not a party to it. It had, however, agreed to suspend military operations in order to facilitate the evacuation which it hoped would be only the first step in the evacuation or surrender of the 10,000 or so other members of Li Mi's forces, including not only Chinese but those locally recruited in Burma. In the circumstances, the First Committee agreed to postpone further consideration of this item until after November 23. The United States Delegation has announced that the United States will continue to work for a more complete solution. In the meantime, the Burmese are keeping their fingers crossed.

40. On the other Far Eastern question on our agenda, *Korea*, there has been a somewhat uneasy partnership of silence among the principal powers concerned on the Western side to bury the hatchet and the subject with it. The United Kingdom Delegation has been explicitly under instructions to make amends for the distressing public display of basic differences of policy which rejoiced the Russians and bemused the world last August. Having taken their stand on the inclusion of India at the Korean Political Conference, and failed to carry the necessary two-thirds of the Assembly, the Commonwealth Delegations — or at any rate the United Kingdom and Australia — relapsed with noticeable relief into the "sportsmanlike" attitude of "accepting the verdict of the Assembly" despite the fact that the verdict had been imposed by a minority and that the Communists in and out of the United Nations soon made it perfectly apparent that if there was to be a Korean Political Conference the Assembly, or the United States which it permitted to speak for it, would have to modify if not change their tune.

41. From the outset, it was recognized by all Commonwealth Delegations that if the Communists remained obdurate, it would be only a matter of time until the Assembly would have to discuss the real issue of composition. There is today almost universal agreement, even including the United States Delegation, that as soon as Mr. Dean gets tired of sitting it out with the Communists in Panmunjom, Korea will have to be thrown back into the uncertain hurly burly of an Assembly debate. It remains to be seen whether the United States may now be more ready to examine less rigid formulae for a compromise solution of the admission of neutrals to the Korean Political Conference, and whether the Commonwealth Delegations

will once again be prepared to take issue publicly with the United States if they are not.

42. Be that as it may, there is every expectation here that the composition of the Korean Political Conference will be fully discussed before the Assembly adjourns, and that that debate, when and if it comes, will be the highlight of the present session. Although not yet publicly discussed, it has already been much debated in private groups. The problem of how to get a Korean Political Conference going has overshadowed this session, as the problem of breaking the Korean Armistice deadlock on the prisoner of war question overshadowed the last. A solution this year may depend, as it did last year, on the willingness of the major Commonwealth Delegations to depart, if necessary in public, from the confines of current United States orthodoxy, knowing that if the object is attained, differences of approach in the making of agreement will soon be forgotten. What inhibits such action this year to a far greater extent than last is the fear of Syngman Rhee's violent and possibly disastrous reaction to an Assembly decision to admit India to "his" conference table.

43. The gloomy figure of Krishna Menon, brooding in conspicuous places around the Assembly, has become almost a symbol of the Assembly's preoccupation with the problem of a Korean settlement. For so far Korea has been left conspicuously in the background except for the opening Plenary debate in which Canadian, United States and United Kingdom statements hinted at a neutralized united Korea, its security guaranteed by the major powers concerned, as the ultimate solution, if the Communists would agree.

Economic Matters

44. In the *economic field* , the Second Committee has been having an interesting time in its annual sparring contest between the developed and the under-developed countries.

45. Despite serious uncertainties which were only partially allayed concerning the future of United States contributions to *technical assistance*, the Committee adopted unanimously a resolution on the Expanded Programme of Technical Assistance which by implication set a goal of $25.3 million for 1954. Its resolution on the related item concerning technical assistance in public administration was also adopted unanimously.

46. The Second Committee is now discussing the economic development of under-developed countries under two main heads: Question of the Establishment of a Special Fund for Long-Term Low Interest Loans and Grants-In-Aid; and the Status of the Proposal for an International Finance Corporation. Resolutions on both of these projects have been tabled by sponsors from the under-developed countries and are at the stage where they are being discussed by either formal or informal working groups with a view to seeing whether they can be made acceptable to the developed countries. There is also a resolution on the table, sponsored by the United States and not yet voted upon, which takes the form of a declaration on the part of states members of the United Nations that they stand ready, when there has been sufficient progress in international supervised world-wide disarmament, to ask

their peoples to devote a portion of the savings therefrom to assist in the economic development of under-developed countries.

47. These two proposals — for the fund and for the international finance corporation — have now been under discussion for several years. In accordance with the wishes of the developed countries, any final decision regarding their establishment has up to now been put off, and the General Assembly in successive years has called for expert studies, reports from the International Bank and so on. This year, the under-developed countries are determined, if possible, to come closer to their goal. The disarmament declaration referred to above, which was originally introduced by the United States at the 16th session of the Economic and Social Council last summer, is in itself a tribute to the persistence of the under-developed group since, though it postpones the establishment of the fund indefinitely, it accepts the idea in principle. Canada has indicated that it will support the United States resolution on this subject.

48. The under-developed countries are not forcing the issue at the Eighth Session but are determined to secure resolutions which would make it impossible, or at least exceedingly difficult, to avoid a show-down at the Ninth Session. They are displaying a fair amount of skill and self-control in achieving this objective. Speeches have been much shorter than last year and comparatively few resolutions have been tabled; apparently in order to avoid raising any extraneous issues until the big questions have been settled. Though the chips are down and both sides are fighting hard to secure their basic minimum requirements, on the surface at least the atmosphere of the Committee is much better than last year. There has so far been no real head-on clash. The experience of last year, when the under-developed countries forced through two resolutions — on nationalization and international commodity prices — against the united opposition of all the developed countries, may have suggested that this is not in the long run a very profitable policy. But the Chairman of the Committee, Leo Mates[39] of Yugoslavia, can claim at least some of the credit, as he has most earnestly sought to avoid any votes or procedures which would tend to harden the position of delegations prematurely.

49. One new element in the situation is an increased divergence of view among the developed countries themselves. Thus, the Netherlands has moved much further towards the under-developed countries on both the fund and the corporation than have the rest of us, though France, Belgium, and even in some respects the United Kingdom, have been more conciliatory than the United States on the subject of the fund. Canada and Belgium, as heretofore, have regarded the finance corporation as an idea well worth exploring, whereas the United Kingdom and France are opposed in principle.

[39] Vice-ministre des Affaires étrangères de Yougoslavie.
Deputy Foreign Minister of Yugoslavia.

Social Matters

50. Although the Third Committee (Social, Humanitarian and Cultural) has benefited from the business-like direction of its Chairman, Dr. George Davidson,[40] it has as in years past suffered from the amorphous and topsy-turvy character of its subject matter. For the countries with the lowest standards in such matters as freedom of the press, women's rights and human rights generally have been somewhat sanctimoniously urging those countries with a better record in actual practice to subscribe to resolutions and declarations which, although in many ways unexceptionable, are not, in our opinion, the best means of carrying forward these worthy goals.

51. These difficult and sometimes embarrassing issues have been dealt with partly by evasion, partly by compromise and partly by postponement or reference to the Economic and Social Council or the Human Rights Commission. The Covenants on *human rights* are being referred back to the Human Rights Commission who have, perhaps fortunately for those delegations which insist upon it, not yet developed a satisfactory "federal state clause". The *Freedom of Information* resolution, on the other hand, was watered down until it is at least harmless.

52. One of the main reasons for the reversal of the United States position on human rights which was announced last May was the Administration's fear of Congressional support developing for the Bricker amendment. For this reason, too, the United States Administration has agreed to shelve the ratification of the *Genocide Convention* but this did not prevent the United States Delegation from supporting, tongue in cheek, a Sixth Committee resolution urging countries to ratify.

Trusteeship Matters and Non-Self-Governing Territories

53. Colonial questions have again this year brought to light in the *Fourth Committee* the fact that the gulf between East and West is not always uppermost in the minds of delegates. For some delegations, the gulf between groups within the free world community on colonial issues can be deeper. This divergence of views has probably not, however, given rise this year to more heated debate than in previous years.

54. The pressure against Administering Powers was spearheaded by the same delegations, such as, apart from the Soviet bloc, those of Guatemala, India, Mexico, Egypt, and Yugoslavia. Mrs. Menon, this year's Indian delegate on the Fourth Committee, may have lacked the tact and debating abilities of Mr. Rau, who represented India last year. A number of flare-ups in the Committee could be attributed more to the manner in which certain issues were first introduced by Mrs. Menon, rather than to the controversial nature of the subjects. This is probably true in both the question of "*factors*" and the question of the *Central African Federation.*

55. It has been said, on the other hand, that a more subtle approach to colonial problems in general has so far been noticeable this year on the part of some delegations, which were too ready in the past to follow the lead of the extreme anti-

---

[40] George Davidson, sous-ministre de la Santé nationale et du Bien-être social; représentant, délégation à la huitième session de l'Assemblée générale des Nations Unies.
Dr. George Davidson, Deputy Minister of Health and Welfare; Representative, Delegation to Eighth Session of General Assembly of United Nations.

colonials. If this trend towards a more rational approach to colonial issues is not always shown in the final votes, it can nonetheless be detected in a considerable number of speeches. For instance, the awareness that the *Committee on Information from non-self-governing territories* might be deprived of representation by the Administering Powers, or the warning of the United Kingdom delegation that they might walk out of the Committee if the question of Central African Federation were discussed, undoubtedly led the less extreme anti-colonial delegations into a greater caution, if not objectivity.

56. In spite of a relatively weak chairman, the procedural entanglements have been few and the majority of the Committee has shown a clear desire to get on with the work. For the uninitiated delegate who comes into contact with the Fourth Committee for the first time, (as was the case this year with Lord Hudson who sat in for a few weeks for the United Kingdom and who left the United Nations with an unfavourable opinion of this Committee's activities), the merit of the Committee's proceedings may not be strikingly apparent. At any rate, if one of its purposes is to provide the middle and small nations with an opportunity to let off steam about colonial problems, it is at least fulfilling this task.

57. For the Canadian Delegation, the Committee's work at this session will bring back the memory of Dr. George Patterson,[41] who, after years of devoted services to young Canadians through the YMCA, and later, on behalf of the Government, in the Far East, died while serving as Canadian spokesman on the Committee. He will be warmly remembered and sadly missed.

Administrative and Budgetary Matters

58. As in the Political Committee, the *Fifth Committee's* biggest problems still lie ahead: the Administrative Tribunal's awards of compensation to dismissed employees; the Secretary-General's report on personnel policies, including his request for an extension of powers; and his plans for re-organizing the Secretariat, abolishing the posts of his eight Assistant Secretary-Generals, and cutting the Secretariat by 15% during the next two years.

59. The first reading of the *budget* is now nearly complete. It has gone through with a minimum of discord, thanks chiefly to the fact that the Secretary-General did not contest cuts proposed by the Advisory Committee, and only the Soviet Delegation has this year asked for block cuts to be made in the budget. As for the revised *scale of assessments*, the United States have been brought down, as promised last year, to contributing one-third of the United Nations budget. The USSR and a few other countries have had their assessments increased correspondingly. Although the Soviet delegate has protested, he has never indicated that his government might not accept the increase. There has been no change in the Canadian assessment. In the interests of harmony, we have, with the other countries working on a *per capita* ceiling, agreed to forego the application of this principle for the time being.

---

[41] G.S. Patterson, consul général à Boston; représentant suppléant à la huitième session de l'Assemblée générale des Nations Unies.
G.S. Patterson, Consul-General in Boston; Alternate Representative, Delegation to Eighth Session of General Assembly of United Nations.

60. It is unlikely that the Assembly will decide to *change its opening date* to the Spring, despite the many good reasons for doing so, because of difficulties raised by the United Kingdom and other western European countries whose parliamentary business is particularly heavy at this time of year. The Advisory Committee is expected to recommend that the Assembly should in future meet on the first Tuesday of October instead of the second Tuesday of September, but whether this will result in shortening the sessions or not, remains to be seen.

Legal Matters

61. Apart from the question of Charter revision which we have already touched on, the *Sixth Committee* has made exceptionally good progress in disposing of a rather heavy agenda, for the most part of a relatively non-controversial nature. Once again, the Soviet Union still maintained what can only be called its old-fashioned if not reactionary concept of the sovereignty of states. Every other "bloc" in the Sixth Committee has been split on most issues but the Soviets never.

Conclusion

62. As this report has been written as primarily a political assessment, we have, I am afraid, done less than justice to the labours of the other Committees, touching on their problems and accomplishments only when they seemed to have political as well as technical significance.

63. To *sum up*, although the political atmosphere of this session seems improved, although the Soviets are more cooperative and the Arabs, Asians and Latins more moderate in the pursuit of their goals, nevertheless the Assembly has not yet borne fruit such as might have been expected to come from these improvements. Indeed, it is apparent that while the appearances are better, the underlying realities remain the same. Delegates often say "if only the Russians would behave", or "if only we had less propaganda", or "if only the Great Powers would really negotiate", or "if only the small powers would do more and talk less", or "if only there was leas of a gap between word and deed". But the fact of the matter is that while the Great Powers spar with each other as to where and when and whether to talk to one another, the United Nations remains the one place in which they *do* talk to one another. With all its procedural wrangles and irritations and painful slowness, it is perhaps helpful in the midst of the shuffle to realize that a mammoth multilateral negotiation on close to a hundred subjects of international concern has been going on in this seven-ring circus and that we are much better off under the shadow of an atomic or hydrogen war than we would be without it.

DAVID M. JOHNSON

312. DEA/50121-B-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

DESPATCH 131 New York, December 10, 1953

SECRET

GENERAL — AN ASSESSMENT OF THE SECOND HALF

Reference: Our despatch No. 83 of November 14.

Recess to Discuss Korea Later

The Assembly recessed yesterday, having decided to reconvene at the call of the President, with the concurrence of the majority of members, if in her opinion developments in respect of the Korean question warrant it; or if, again with the concurrence of the majority, one or more members request it, because of some development in connection with the Korean question. This formula, which was adopted unanimously, with the Soviet bloc alone abstaining, represented a compromise between the United States and Indian positions. The United States had at first wished to see the session completed on December 8 as decided in September, though there had been no opportunity for a full discussion of Korean matters. This position was really predicated on a reluctance to see the Korean question discussed further by the General Assembly unless some dramatic new developments occurred which would clearly require a special session of the Assembly to be convened.

2. The Indian Delegation, on the other hand, acutely conscious of their responsibilities for the disposition of the remaining prisoners of war in the demilitarized zone during a period of uneasy truce, wanted to make it as easy as possible to reconvene the Assembly. They would, in fact, have preferred to have recessed the Assembly to a fixed date between the 120th and 150th day following the transfer of non-repatriable prisoners to the Indian custodial forces in Korea, or earlier if developments threatened the peaceful carrying out of their plans on January 22, 1954. Mr. Krishna Menon went as far as to table a resolution in the closing days of the Assembly which would have recessed the session until February 9. Publicly, Menon expressed his desire to make arrangements which would enable his government to have recourse to the Assembly either to sanction decisions the Indians in Korea might have already taken concerning the release of prisoners after January 22 or to share the responsibility with the Indian Government for decisions which could not completely meet the requirements of the terms of the Armistice in regard to prisoners of war if the Political Conference were not convened to deal with the problem in the 30 day period stipulated. Privately, he admitted that he thought the Americans would no longer feel any urgency for negotiating a political conference if the prisoner of war question were disposed of without a conference and that it would have a healthy effect upon the attitude and decisions of the United States Govern-

ment if they knew that on a certain date they would have to give an accounting of their stewardship to the General Assembly on the talks in Panmunjom which it seems are in danger of breaking up on the issue of Soviet neutrality. Indeed, no sooner had the Assembly recessed than the United States Government recalled Mr. Arthur Dean "for consultations".

An Indecisive Session

3. The decision to recess the Assembly to an indeterminate date therefore represented a genuine compromise on the part of both the Indians and the Americans. It was, in its way, a typical decision of the Eighth Session of the Assembly. For although previous sessions have had a tendency to avoid grappling with the big issues and to postpone uncomfortable questions rather than "grasping the nettle", the present session probably displayed this tendency in a unique degree. This is not to say that postponement of, for example, the Korean question, was not a wise decision in the circumstances; a full discussion of Korea while the Panmunjom talks were proceeding and before the Assembly had a report from General Thimayya on the conduct of the explanations to the prisoners resisting repatriation would probably have been premature. This was the general verdict of the Assembly itself (except for the Soviets) and not merely an imposed conclusion of the Western majority. Nonetheless, the tendency to postpone was characteristic of all Committees at this session and perhaps in some cases for less valid reasons.

4. This tendency manifested itself wherever there was a substantial clash of interests. It was perhaps most marked in the Third Committee, where the majority of its items were dealt with by the simple device of referring them back for further study by the Economic and Social Council or the Commission in which they had originated. It showed itself in the handling of the contentious personnel item, in which the Assembly decided to ask the Court whether it had competence to review the compensation awarded by the Administrative Tribunal to 11 Americans dismissed from the Secretariat as, in effect, "security risks". It was the dominant motive in the appointment by the Second Committee of Mr. Scheyven[42] of Belgium to collate views of the various governments concerned regarding the establishment of an economic development fund. Similarly, the conclusion of the disarmament debate was a resolution which somewhat lamely returned the problem to the Disarmament Commission but left it exactly where it had been a year ago.

Burma

5. Perhaps the main exception in the record of this indecisive session was its handling of the Burmese item. Appreciation was expressed for the efforts of the United States and Thailand for the repatriation from Burmese territory of close to 2,000 Chinese Nationalists and the prospect, according to the Chinese at least, of at least

[42] Louis Scheyven, directeur général des Affaires politiques, ministère des Affaires étrangères de Belgique; conseiller, délégation à la septième session et à la huitième session de l'Assemblée générale des Nations Unies.
Louis Scheyven, Director-General, Political Affairs Department, Ministry of Foreign Affairs of Belgium; Adviser, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

as many more to come if the Burmese agreed to extend the cease-fire arrangements. Nevertheless, there is no denying the fact that most of those repatriated so far were, from a military point of view "deadwood" and hardly any arms had been brought out with them, so that it can only be said that a mere beginning is being made to reach a satisfactory solution of this problem to remove 12,000 Chinese Nationalist troops from Burma. The unanimous vote of approval for this resolution was in no small part due to the excellent manner in which this item was handled by the representative from Burma.

A time of Transition

6. As previous Assembly assessments have pointed out, this state of affairs is by no means abnormal. Assemblies have habitually discussed the state of the world rather than decided its affairs. At this juncture in particular, when the hopes of the world hang upon forthcoming Big Power meetings to deal with European and Asian affairs, the Assembly's indecisiveness is easily explained. Indeed, the criticisms of open diplomacy expressed by Mr. Pearson in his opening statement in September were more widely shared at the end of this session than at the beginning.

7. As the very able Belgian Chairman of the First Committee, Mr. van Langenhove,[43] said in concluding his duties, it was a "waiting period". Mr. Selwyn Lloyd had called it a "transitional session" in his last statement before returning to London two weeks ago. A few days earlier in a private conversation with Mr. Lloyd, Mr. Vishinsky had used the same phrase, explaining that he meant a transition "from bad to good" rather than the reverse.

The President's Speech

8. In this atmosphere of disappointment over the results achieved by the session and at the same time of hope for greater progress among the Powers in the near future, President Eisenhower's address the day before the Assembly adjourned provided a fitting climax for the session. It gave a lift to the session which would otherwise have closed on a note of weary inertia. Although the President's proposals were not perhaps as dramatic and important as the United States press said, the fact of his appearance, coming as he did directly from the Bermuda conference of the Big Three,[44] was an excellent psychological stroke and the substance of what he had to say was to all delegations reassuringly conciliatory. For his speech carried the conviction that the United States and the Powers most closely associated with it genuinely wanted to negotiate with the Soviet Government and would make every effort to break the deadlock on outstanding issues overshadowed by the common fear on both sides of the stupendous piling up of atomic and hydrogen weapons.

9. In his final remarks to the Assembly the next day, Mr. Vishinsky took the opportunity of pouring cold water on the President's proposal for establishing now a United Nations atomic energy research agency for the development of the peaceful uses and possibilities of the atom. He indicated that the Soviet Government contin-

[43] Fernand van Langenhove, représentant permanent de la Belgique auprès des Nations Unies. Fernand van Langenhove, Permanent Representative of Belgium to United Nations.

[44] Voir le document 481, note 13./See Document 481*n*.13.

ued to believe that a decision to prohibit the use of atomic weapons must come first.

10. To correct any impression of one-sidedness that might have been created by the Secretary-General's invitation to the President to address the Assembly, Madame Pandit made it clear in her closing remarks that the Assembly would also be glad to welcome at any time the Prime Ministers of the United Kingdom and of the Soviet Union, and the President of France, "among others".

Assembly Groupings: East and West

11. As regards the behaviour of different groupings within the Assembly, we have little to add to our interim assessment of November 14. Perhaps the most significant feature of the behaviour of the Soviet group at this session has been that they have on the whole refrained from fishing in troubled waters that did not directly concern them. They could, for example, have made a good deal of propaganda and caused some embarrassment in the course of the recent debate in the Fifth Committee over the Administrative Tribunal's awards of compensation but they contented themselves with stating their own point of view in a more or less businesslike fashion. It is also regarded as an indication of an improved attitude on their part that the Soviet Delegation did not veto the application of Japan to adhere to the statute of the International Court of Justice. In previous years, they might have opposed instead of abstaining on the Assembly's decision to recess without discussing Korea. They actually supported the Assembly's resolution on Burma, although they disagreed with the expression of appreciation for United States' efforts which it contained. On the other hand, Mr. Vishinsky was at his familiar worst in his rehash of propaganda themes of past years under the Soviet item dealing with "relaxing international tensions".

12. The United States Delegation and Government were in a difficult position, partly of their own creation. Congressional and public pressures to "give it to the Russians" were such that a number of propaganda items were included on the agenda which no one but the United States wanted to discuss in the Assembly at this time. Some of these items were reviewed in our interim assessment. In their actual conduct of these items, however, the United States Delegation for the most part exercised commendable restraint, albeit at the prompting of all their friends.

Atrocities

13. We know, for example, that the State Department and the United States Delegation would have preferred not to have discussed Korean atrocities at this session of the Assembly and certainly were unhappy at having to put it on the agenda without even going through the motions of consulting their principal allies. They did so in this case because the Defence Department had released the atrocities report without consulting the State Department. Congressional pressure for referring the matter to the United Nations was immediate and overwhelming — an understandable reaction to a report which claimed that over 10,000 Americans had fallen victims of Communist death marches and other atrocities.

14. As Mr. Côté said in Plenary on this subject, the least the Assembly could do was to condemn the commission of atrocities by any government as a violation of

international law and of basic standards of morality. A resolution in this sense was adopted by 42 to 5 (Soviet bloc) with 10 abstentions from the Arab-Asian group and Yugoslavia. Although the resolution did not explicitly condemn the North Korean and Communist Chinese Governments, it did so by implication as it expressed the Assembly's grave concern at the inhuman practices employed in a large number of instances against United Nations forces and South Korean civilians.

15. The restraint shown by the United States in not condemning the Communist Government by name in the atrocities resolution was also demonstrated in the Third Committee's resolutions on (a) prisoners of war who have not been repatriated since World War II and (b) the existence of forced labour. Although the discussion of both these items plainly pointed the finger at the Soviet Union, the resolutions did not name the Soviet Government and were in other respects as mild as they could be.

Leadership

16. The passive character and the subject matter of the present session did not produce great leadership. Perhaps the only public figure who notably increased his reputation was the Secretary-General himself, Mr. Hammarskjöld, whose brilliant handling of the administrative and personnel questions coming before the Fifth Committee won the admiration of all delegations and on the whole kept the respect of the Secretariat although some felt he was going too far to meet the United States position.

17. On most issues Mr. Lodge continued to cultivate a reputation for short and pungent answers to Soviet statements. In his concluding negotiations with the Indian Delegation, however, over recessing the Assembly without discussing the Korean issue, he showed himself much less belligerent and more diplomatic.

18. Perhaps the least adroit of western spokesmen was Congressman Richards who handled the United States case in the Fifth Committee on the personnel awards already mentioned, but his performance and Mr. Lodge's occasional excesses of zeal were more than offset by the restraint and good-will shown by the President, Mr. Dulles and (perhaps surprisingly) Governor Byrnes.

19. Mr. Selwyn Lloyd once more took the lead in the Assembly's longest political debate, dealing with disarmament. The failure to win a unanimous resolution (the Soviet bloc abstained although 54 were in favour), took the edge off his achievement. Nevertheless, the efforts of Mr. Lloyd and Mr. Jules Moch of France towards recreating a better atmosphere for recommencing disarmament negotiations in earnest and in private set the stage for the dramatic proposal made by Mr. Eisenhower the day before the Assembly recessed.

The Indians Come Forward

20. Perhaps not unnaturally, in view of the Presidency, the Indian Delegation played a more active role at this Assembly than they have previously, except on particular questions such as Korea at the last session. At the present session, they were in the thick of every debate of political importance — so much so that some delegations began to feel that either Mr. Krishna Menon or his Government, or both, were seeking to play a part in world affairs rather too big for their boots.

Although they gave no public indication of their aspirations, we know that the Indian Delegation were conscious of Mr. Nehru's sense of leadership among the Asian nations and his hopes for greatly improving Indian representation on the Security Council, if not for a permanent seat. There is no doubt, even in the minds of delegations less well-disposed to the Indian Delegation than the Canadian, that the Indians are now speaking for Asia in more authentic accents than any other country represented in the Assembly.

Madame Pandit

21. Madame Pandit herself, as President, was for this very reason able to carry out her duties with an impartiality which, with perhaps one exception, was beyond question. She ruled both Mr. Lodge and Mr. Vishinsky out of order. As Mr. Menon remarked, however, Madame Pandit performed better as the Assembly's "queen" than as its presiding officer. She not infrequently found herself in procedural tangles which she had neither the knowledge nor the patience to resolve. It is our impression that, although she handled her representational duties as head of the Assembly admirably, she had less effect than some of her predecessors in the reconciling of differences behind the scenes.

Canadian Delegation

22. As far as our own delegation was concerned, the character of the Assembly inclined us to play a less active role, certainly as compared with last year. Should the Korean question come before the Assembly during the winter, no doubt Mr. Pearson will once again provide the leadership he has given before. On the subjects that were before us, however, Canada's direct interest was comparatively minor and the role of the Delegation, therefore, of secondary importance. We did nevertheless play our full part in the day to day business of the Assembly and perhaps particularly in the discussions of the Burmese, personnel, and disarmament items. In the highly explosive personnel item dealing with the awards of compensation to dismissed members of the Secretariat, it was really the Canadian and United Kingdom Delegations which "pulled the chestnuts out of the fire" and prevented a head-on clash with the United States Delegation. We also provided the Third Committee with, as many of its members said, its best presiding officer on record. And, be it added, the Delegation was fortunate in being able, at no cost to the Canadian taxpayer, to entertain most of the United Nations at a fine concert of Canadian music in Carnegie Hall.

23. The Delegation's press relations and coverage were on the whole good, despite the almost total scarcity of Canadian correspondents (other than CBC) with the result that almost all United Nations news reaching the Canadian press was written by Americans.

24. The subjects dealt with by the First (Political) Committee have already been covered in sufficient detail. It remains to fill in supplementary notes on the principal items dealt with by the other Committees.

Ad Hoc Political Committee

25. The only item dealt with by the Ad Hoc Committee since our interim assessment was "race conflict in South Africa". By a substantial majority (38 to 11 with

11 abstentions), the Assembly endorsed an Indian request to continue the Commission established at the last session of the Assembly to study the South African Government's policies of apartheid. It was, the Indians explained, the least they could ask the Assembly to do, as the alternative for them was a strong condemnation of the South African Government. While this is probably true, the Canadian Delegation and a number of others thought there was no point in continuing a Commission which had no prospect whatever of South African co-operation and which had already dealt with the available subject matter so thoroughly that it had probably exceeded both its competence and its terms of reference. That being so, Canada voted against the continuation of the Commission, although we, and indeed almost every Delegation in the Assembly, publicly expressed our disapproval of the South African Government's racial policies and practices.

26. Having voted against the Asian resolution to continue the Commission, the Canadian Delegation abstained in the vote on the South African resolution which rather ingeniously took extracts from the Commission's report to show that it had trespassed upon matters clearly within the domestic jurisdiction of the South African Government. On both these votes, we differed from the United States Delegation which, somewhat to our surprise, voted against the South African resolution denying competence and abstained in the vote extending the Commission.

27. What effect, if any, the Assembly's action will have on the Malan Government it is, of course, impossible to say. Mr. Malan will no doubt be confirmed in his opinion that the United Nations is a "cancer" of the world body politic; but there may still be those among his countrymen who will begin to wonder if everybody in the world is out of step in their thinking about racial questions except them.

Second (Economic) Committee

28. The most important item on the Committee's agenda dealt with the problem of economic development of under-developed countries under two headings:

(a) the establishment of a special United Nations fund for long-term low-interest loans and grants-in-aid; and

(b) the establishment of an international finance corporation.

Both these projects have been discussed for some years. The deadlock between the points of view of the developed and under-developed, at least insofar as any immediate action is concerned, remains almost unbroken. The developed countries have, however, taken an important step this year by accepting the idea in principle. The principal potential contributors, including the United Kingdom, the United States and Canada, have undertaken to ask their peoples, when sufficient progress has been made in internationally supervised world-wide disarmament, to devote a portion of the resultant savings to a United Nations fund for economic development.

29. The only immediate action which the Assembly took this year (and this can also be interpreted as a delaying device) was to invite governments to submit their views on this question and have them collated by the past president of the Economic and Social Council, Mr. Scheyven of Belgium. His terms of reference will permit him where necessary to discuss matters directly with governments but not, to the regret of the under-developed countries, to make any attempt to "sell" governments the idea of establishing the fund at a given date. The under-developed

countries can at least take comfort from the fact that each year the delegations of the developed countries are adopting a less and less negative attitude to the idea although still resisting its immediate application.

30. Two other important items of the Second Committee, concerned with raising funds for technical assistance and for Korean reconstruction, were dealt with to the satisfaction of almost all delegations.

31. As regards the technical assistance programme, the total of contributions pledged this year has risen to $23,617,378, with no less than 23 countries announcing increases in their contributions. The largest of these increases was announced by the Canadian Delegation, unfortunately a week too late to secure the maximum benefit for ourselves in terms of publicity. The Canadian increase will be from $800,000 to a possible maximum of $1.5 million depending upon the total pledged by the end of this year. Our increase probably influenced the United States contribution, as it was hoped that it would. Although at the beginning of the session there appeared to be a strong possibility that the United States might not go above $8 million, its pledge now stands at a possible maximum of $14,750,000, depending upon other pledges.

32. As regards Korean reconstruction a compromise between United States. United Kingdom and Canadian views was adopted without negative vote urging those who had pledged to the original $250 million programme to make good their pledges so that the United Nations could continue to play its part in Korean reconstruction and not leave the field entirely to the United States military authorities.

33. A good deal of the credit for the successful compromise resolutions achieved in the Second Committee on several subjects must go to the Chairman, Mr. Leo Mates of Yugoslavia, for initiating the practice of adjourning his Committee when it was getting into difficulties and turning the problem over to informal working groups of the countries chiefly concerned who met in private and without the impediment of either press or summary records. It was a technique which may be more widely used in the United Nations in future.

Third (Social) Committee

34. Although, as has already been said, this Committee showed a predilection for sending its routine social problems back to where they came from, as a means of avoiding uncomfortable and perhaps unprofitable discussions, this solution was, in some cases of particular interest to Canada (concerning Chapters IV and V of ECOSOC Report[45]), at least temporarily satisfactory. The much debated question of the federal state clause in the Draft Covenants on Human Rights offered a further occasion to reiterate in clear and strong terms the importance and the real meaning of such a clause to countries like Australia and Canada. While similar negative solutions were adopted in other human rights questions such as the draft international code of ethics, the right of petition, and the three United States draft proposals, it is fair to say that the "appointed champions" of human rights (in particular Egypt and the other Arab Delegations) clearly realised that solutions to these

[45] **Le chapitre IV traitait des Questions sociales et le chapitre V des Droits de la personne. Chapter IV dealt with Social Questions; Chapter V dealt with Human Rights.**

problems require time and patience, and that too much insistence on their part to force the issue would defeat their purpose.

35. The Third Committee also dealt with two items of general political importance, the question of the repatriation of prisoners of war left over from World War II and the question of forced labour.

36. Speaking with the authority of his own experience, Governor Byrnes handled the prisoner of war question very well. Thanks largely to his decision, on the advice of friendly delegations, not to name the USSR, his resolution won a satisfactory majority of 46 to 5 (Soviet bloc) with 6 abstentions. The resolution expressed the Assembly's grave and continuing concern that large numbers of prisoners of the Second World War have not yet been repatriated or otherwise accounted for and urgently appealed to all governments to cooperate with the Ad Hoc Commission on Prisoners of War and give information on all prisoners who are still under their control or have died in their custody. Although little may come of it, a shocking problem has been fully aired and the representatives of those countries having the largest number of prisoners unrepatriated (Germany, Japan and Italy) have had an opportunity to state their case, which they did in matter of fact terms.

37. Mrs. Lord's[46] handling of the forced labour item was less skillful. Although here again, the Soviet Union was not singled out in the resolution for condemnation, six countries who had voted in favour of the prisoners of war resolution abstained. The Soviet representative, Mr. Saksin, spun a fine philosophical argument around the definition of forced labour in the socialist system and the extent to which the term could be applied, in his view, to many classes of labour under the capitalist system.

38. However, his arguments did not dissuade the great majority of the Assembly from affirming the importance of abolishing all systems of forced labour for political offenses wherever practiced on such a scale as to constitute an important element in the economy of a country. The Assembly therefore invited the Economic and Social Council and the International Labour Organization as a matter of urgency to give early consideration to the Ad Hoc Committee's report on forced labour. The subject is to be considered again at the next session of the Assembly.

Fourth (Trusteeship) Committee

39. Although the Committee began well and hopes were raised that at this session the gulf between colonial and anti-colonial delegations might be narrowed, the later work of the Committee showed that sentiments of conciliation were confined to the statements of delegations and were seldom reflected in their votes. Sure of their voting majority with Soviet support, the anti-colonial group, this year under the leadership of the Arabs and Asians rather than the Latins, secured the adoption of every resolution they tabled. They were nevertheless well aware that the passage of resolutions could not alone achieve their declared objective of "wiping colonialism

---

[46] Madame Oswald B. Lord, représentante suppléante, délégation des États-Unis à la huitième session de l'Assemblée générale des Nations Unies.
Mrs. Oswald B. Lord, Alternate Representative, Delegation of United States to Eighth Session of General Assembly of United Nations.

off the earth". Most of them were prepared to accept the fundamental assumption on which United Nations' consideration of colonial questions is based, that their ends must be achieved gradually through evolution rather than revolution. If the anti-colonials went too fast, the Administering Powers made it plain that they might refuse to implement the resolutions of the Assembly and might even walk out of the Committee. At least it can be said that "walkouts" were avoided and in only one case is a resolution of the present session likely to be ignored.

40. This case concerns the Netherlands' intention to cease transmitting information to the Assembly in respect of Surinam and the Antilles. The majority considered, however, that as the constitutional status of these territories has not yet been finally worked out, the Netherlands should continue to report.

41. In the parallel case of Puerto Rico, the United States was able to secure the support of the majority for a resolution recognizing that the United States should cease transmitting information. Despite the opposition of the United States, however, a paragraph was included in this resolution asserting the Assembly's competence to decide when a country may cease transmitting information on a territory it considers has reached the stage of self-government.

42. As in previous years, the Canadian Delegation deliberately played a limited role in the Committee, although attempting to maintain an independent position between the colonial and anti-colonial groups in company with the Scandinavians and a few Latin American Delegations. We were in fact able to support half of the 22 resolutions adopted by the Committee and usually voted a step ahead of the colonial powers, although inclined to side with them on fundamentals.

Fifth (Administrative and Budgetary) Committee

43. Of all the issues which have actually come before the session thus far, the question of the awards granted by the Administrative Tribunal in the amount of $179,400 to eleven United States citizens dismissed from the Secretariat as "security risks" was probably the most highly charged, at least in so far as United States public opinion is concerned. From the beginning, the United States Delegation took the strongest line that not a cent should be paid to "those Communists" who had invoked the Fifth Amendment. There were off-stage threats that, if the United Nations voted any money for this purpose, Congress might cut in part, if not altogether, the United States appropriations for their share of the United Nations budget; and if Congress put a rider to the appropriation that none of the money was to be used to settle the awards, the Secretary-General might well have been unable to accept their contribution.

44. Although perhaps the majority of the Latin American Delegations were, either by reason of conviction or friendship, prepared to support this extreme United States position and oppose *in toto* the awards of the Tribunal, almost all other Delegations felt that, however questionable the Tribunal's judgment might have been in making such large awards in certain cases, nevertheless the Tribunal's right to assess compensation was legally unassailable under the staff regulations and the explicit terms of the statute of the Tribunal. Therefore, while some Delegations (including the Canadian) would have been glad to have met the United States halfway by reducing the awards if they could have been convinced that it was legally

defensible and possible to do so, it is probably true to say that had the matter been put to the vote at this session the awards would have been paid in full. No convincing legal argument was, however, brought forward during the debate for reducing the awards; and the United States Delegation did not feel that to do so would meet the real political difficulties in which their Government found themselves with their own public opinion and with Congress — although it must be added that no serious attempt has been made by any member of the Administration to present the real problem to the American people as most of the rest of the world saw it.

45. The issue resolved itself finally into a question of whether or not the Assembly had the right to review the awards of compensation given by the Tribunal, and if so whether it would be justified to do so. Although the majority would certainly have answered that the Assembly would not have been justified in tampering with the awards, it seemed to the Canadian, United Kingdom and other Delegations that it would be politically unwise to run headlong against an aroused United States public opinion on this question which might have damaging repercussions for the future of the Organization. It was therefore decided, upon a resolution submitted by Canada, United Kingdom and Colombia, to refer this question of competence to the International Court of Justice. French amendments which would have made the questions relate more specifically to the awards under discussion and which would have provided for their immediate payment in the event that the Court denied the competence of the Assembly to change the awards were defeated. Although the reasons were obscure, it is probable that two chief factors militated against the French amendments:

(a) the United States indication that they would abstain on the Three Power resolution but would oppose vigorously the French amendments; and

(b) the attitude of certain delegations that, as the Assembly was seeking an advisory opinion from the Court, it would be wrong to provide means for taking any automatic action before the Assembly had considered the opinion.

46. As matters stand, the Assembly will have to face this difficult debate at some future date after the International Court has given its opinion with, it is to be hoped, the concurring opinion of the United States Judge. But if this further discussion occurs in the middle of the mid-term United States elections next fall, we may all, including the United States Delegation, wish that we had decided the issue here and now.

47. At any rate, once the present awards have been settled, the issue is unlikely to arise in the future because the Fifth Committee has amended the staff regulations on which the awards were based so as to give the Secretary-General greater discretion in the dismissal of permanent employees without undermining their very necessary security of tenure as international civil servants.

48. Hitherto the Secretary-General has been able to dismiss a permanent employee only for "unsatisfactory services" or for "serious misconduct". To bring the regulations more in line with the high standards of performance and conduct called for by the Charter, permanent employees may now be dismissed for these additional reasons:

(a) lack of integrity

(b) political activity

(c) should facts in their past history come to light which had they been known at the time of application would have precluded appointment, and (after much discussion)

(d) if dismissal would be in the best interests of the Organization, *provided* the decision is not contested by the employee.

The Statute of the Administrative Tribunal was also amended so as to provide for the future a maximum award of not more than two years' salary unless the circumstances are exceptional.

49. The Assembly also endorsed the Secretary-General's far-reaching proposals for simplifying the top structure of the Secretariat and reducing the total staff of the Secretariat by 15% during the next two years, largely by a policy of not filling vacancies as they occur.

Sixth (Legal) Committee

50. After the Committee had disposed of the important question of Charter revision, as reported in our previous assessment, the remaining items on its agenda were all minor ones. Those which concerned Canada most closely — the regime of the high seas including the questions of territorial waters, fishery rights and the continental shelf — are all to be postponed at least until the Tenth Session of the Assembly, and studied meanwhile by the International Law Commission.

The Security Council Acts

51. No assessment of the political work of the United Nations in recent weeks would be complete without mentioning the Security Council's consideration of the Palestine question. Whereas the Assembly talked and procrastinated, the Council, in this case at least, acted. Its action was initiated by the United States, the United Kingdom and French Governments immediately after the Qibya raid of October 14 in which 200 or 300 armed forces of Israel murdered some 53 inhabitants of the Jordan border village in retaliation for isolated maraudings of Arab bands. After thoroughly discussing the question with General Bennike, the Chief of Staff of the United Nations Truce Supervision Organization in Palestine, the Council adopted by a vote of 9 in favour, none against and 2 abstentions (Lebanon and the USSR) a resolution expressing "the strongest censure of that action" and calling upon Israel "to take effective measures for prevention of such actions in the future". General Bennike was asked to report to the Council within three months on his recommendations for enforcing the Armistice Agreements. He has already requested privately the assistance of Canadian, Danish and Swedish military observers to strengthen the staff of his Organization.

Summing Up

52. In her closing remarks before recessing the Assembly, Madame Pandit asked delegates "not to be discouraged by the seeming obstinacy of these international issues and the delays in their solution". She pointed out that the value of the Assembly, "representing as it does the collective conscience of mankind", depends more on its ability to secure willing, wholehearted agreement than on the number

of votes cast on particular resolutions. She noted "how earnestly great powers and small have tried to achieve a real meeting of minds. If sometimes these efforts resulted in a statement or a resolution which only marks time, they have at least paved the way for new approaches and for understanding at a future date". This is probably the best apology and justification for the work of the Eighth Session of the General Assembly.

DAVID M. JOHNSON
for the Chairman

3e PARTIE/PART 3

CONSEIL ÉCONOMIQUE ET SOCIAL, SEIZIÈME SESSION, PREMIÈRE PARTIE
30 JUIN — 5 AOÛT 1953: ÉLECTIONS
ECONOMIC AND SOCIAL COUNCIL, SIXTEENTH SESSION, FIRST PART
JUNE 30 — AUGUST 5, 1953: ELECTIONS

313. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

CONFIDENTIAL [Ottawa], June 15, 1953

. . .

6. *Elections to Functional Commissions of ECOSOC and Executive Board of UNICEF*

United Nations Division: Vacancies on the Executive Board of UNICEF and the Functional Commissions of the Economic and Social Council will be filled at the sixteenth session of the Council scheduled to convene in New York on June 30, 1953. Canada will stand for election to the Population Commission and, if unsuccessful in that, will try to retain membership on the Social Commission. As we are no longer on the Economic and Social Council and since there is a strong possibility that we may leave our seat on the Social Commission when our term expires in December next, it has also been decided that we should try to retain a seat on UNICEF. Canada continues to be a member of the Commission on Narcotic Drugs (indefinite term) and of the Fiscal and Statistical Commissions (until the end of 1955).

. . .

314. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

[Ottawa], August 10, 1953

. . .

4. *Elections to the Functional Commissions of the Economic and Social Council and UNICEF*

United Nations Division: The Economic and Social Council elected one-third of the membership of its functional commissions on August 4. Canada was unanimously elected to membership in the Population Commission for the three year period commencing January 1, 1954. Australia was also elected to replace us on the Social Council when our term expires on December 31 next. We hold membership in the Narcotic Drugs Commission for an indefinite period and in the Fiscal and Statistical Commission until December 31, 1955.

Canada was also elected in place of Australia to serve on the Executive Board of UNICEF until December 31, 1955. As a result of its membership in the Social Commission Canada has been a member of UNICEF since its inception.

. . .

4e PARTIE/PART 4

DÉSARMEMENT
DISARMAMENT

315. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Divisions

[Ottawa], March 23, 1953

. . .

Disarmament

4. *Mr. Scott.* The debate on this item began in the First Committee on March 18. A resolution simply asking the Disarmament Commission created in 1952 to continue its work and to report to the General Assembly and Security Council next September, was introduced by all past and present members of the Commission (in all, 14 countries including Canada) except the Soviet Union. Minor amendments suggested by Egypt, Iraq, Syria and Yemen were accepted by the 14 sponsoring countries. The USSR introduced a resolution accusing the Commission of having

refused to give serious consideration to the problem of disarmament and in particular of having failed to consider the Soviet proposals which had been specifically referred to the Commission by the General Assembly. The Soviet resolution ended by asking the Commission to proceed forthwith with the study of practical measures designed to bring about disarmament. The United States have taken in the debate a tougher line than we had expected. Information now available indicates that the Soviet delegate replied in moderate terms. The general tone of the debate was mild and serious. The fourteen-power resolution was approved in the First Committee on Saturday (March 21) by a vote of 50 in favour, 5 against (Soviet bloc) and 5 abstentions (Argentina, Burma, India, Indonesia and Saudi Arabia). The Soviet resolution was rejected by 5 votes in favour (Soviet bloc), 41 against (including Canada) and 13 abstentions (Afghanistan, Egypt, Ethiopia, Liberia, Iraq, Iran, Syria, Yemen, and the 5 countries which abstained on the fourteen-power resolution.)

. . .

316. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Divisions

CONFIDENTIAL [Ottawa], April 7, 1953

. . .

Disarmament ... Conciliation?

6. *Mr. Scott*. The Soviet Delegation has submitted an amendment to the Disarmament Resolution which was approved by the First Committee on March 21 . . . and which is now before plenary. This amendment proposed that the reaffirmation of the General Assembly Resolution 502(VI) which created the Commission be deleted. It also proposes that the Assembly Resolution refrain from commending the Disarmament Commission for its work.

The intention behind the Soviet amendment, which seems in line with other conciliatory moves on the part of the Russians, is not clear. It may be that the Soviets have finally decided to take a constructive approach to the problem of disarmament. This they failed to do during the meetings of the Disarmament Commission last year. It is also conceivable that the aim of the Soviet amendment is to induce the Assembly to approve an amendment which may later be interpreted as a condemnation of the Western point of view on disarmament.

It is somewhat difficult for the sponsors of Resolution 502, i.e. France, the United Kingdom and the United States, to support the Soviet amendment. It is also difficult for the fourteen countries, including Canada, which sponsored the resolution approved in the Committee, to vote in favour of the Soviet amendments. Consideration is now being given to the manner in which the new Soviet move should be met while at the same time ensuring that the continuation of the Disarmament

Commission, which is of primary importance in this case, be approved by the largest number of delegations possible.

. . .

317. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Divisions

[Ottawa], April 13, 1953

. . .

Disarmament

10. *Mr. Scott.* The General Assembly has approved one of the two amendments to the First Committee's resolution on disarmament which were submitted in plenary by the USSR, . . . and has rejected the other. The Soviet amendment proposing the deletion from the disarmament resolution of any commendation of the Disarmament Commission for its work was approved unanimously, the Western states not thinking this worth fighting about. The other Soviet amendment opposed the reaffirmation of resolution 502(VI) which created the Disarmament Commission and which provided *inter alia* that the United Nations plan for the control of atomic energy should continue to serve as a basis for the discussion of atomic energy problems "unless a better or no less effective system is devised". The United States and United Kingdom Delegates argued that to refrain from reaffirming the basic terms of reference of the Commission would weaken morally if not juridically the principles essential to any disarmament plan. Other delegations maintained that the adoption of both Soviet amendments might help to bring about a meeting of minds at little cost. Mr. Vishinsky pleaded with other delegations "to meet the Soviet half way". The second Soviet amendment was finally rejected by a vote of 10 in favour (including Soviet bloc, India, Indonesia, Iran and Saudi-Arabia), 33 against (including Canada) and 13 abstentions. The vote on the resolution as a whole incorporating the first Soviet amendment was 52 in favour, including Canada, 5 against (Soviet bloc) and 3 abstentions (Argentina, Burma and Indonesia). This was a gain of 2 votes for the resolution, as compared with the vote in Committee. It is too early yet to assess the significance of the somewhat conciliatory attitude taken by the Soviet Union. It is likely that the real Soviet intentions will only become apparent when the Disarmament Commission resumes its sittings.

. . .

318. DEA/50271-A-40

Extrait d'une note de la Direction des Nations Unies pour le secrétaire d'État aux Affaires extérieures

Extract from Memorandum from United Nations Division to Secretary of State for External Affairs

SECRET [Ottawa], April 21, 1953

DISARMAMENT[47]

Our attempts to persuade the Armed Services to take a larger share in the formulation of Canadian Disarmament policy have in general not succeeded. Seldom have we been able to get satisfactory contributions towards the instructions we must send our member of the Disarmament Commission.

2. Our distress about this became greater when the Department devised a new plan for disarmament which required close military examination.[48] In sending it to the Services we proposed as well an inter-departmental committee on disarmament, with a working party to serve it.

3. Confronted simultaneously with a New Approach and a New Machine, the military disposed of the former by deciding that it could not be considered unless the New Machine was set up, and disposed, for some time, of the New Machine by resolving to consider its implications. The implications appeared to them, until very recently, to be sinister.

4. The New Approach was also shown to the French, the British and the Americans, and our Services were informed of this reference. The French reply was encouraging, but the British and American distinctly discouraging. This information seems not, as yet, to have been passed to our Services. The British and the Americans, whether honestly or out of mere civility, hoped we would continue our researches, but this has not happened.

5. At this stage, when the Disarmament Commission seemed to have exhausted its resources, and the Canadian Government appeared to have decided not to explore theirs, DL(1)[49] decided that disarmament was, if anything, a political subject, and should therefore be transferred to the UN Division, except that DL(1) should remain responsible for liaison with the soldiery, in respect to any surviving military interest. In mid-January, 1953 this change was made. The desk officer of UN Division, taking over from DL(1) (January 30) reached the conclusion that "there is no

[47] Ce document faisait partie d'une note pour le secrétaire d'État aux Affaires extérieures intitulée "*Disarmament Commission* — Balanced Reduction and Limitation of Armed Forces and Conventional Armaments".
This document was contained in a memorandum for the Secretary of State for External Affairs entitled "*Disarmament Commission* — Balanced Reduction and Limitation of Armed Forces and Conventional Armaments".

[48] Le 14 août 1952; voir volume 18, document 305.
August 14, 1952; see Volume 18, Document 305.

[49] La 1re Direction de liaison avec la Défense.
Defence Liaison (1) Division.

doubt that the suggested new approach should be regarded as having fallen by the wayside .... The question of inter-departmental consultation will probably have to be left in abeyance pending the raising of specific problems in the Disarmament Commission which would require advice from the Canadian military authorities." This seems to agree with the views of DL(1) as recorded on January 9.

6. This, however, was not the way it happened. During this period, after as well as before the transfer, this Department continued to urge the Services toward inter-departmental activity and this has culminated — so far — in an agreement (April) by the Vice-Chiefs to set up an inter-departmental committee and a working party. These conversations with the military, being in the nature of liaison, fall to the DL Divisions, UN Division being informed only after the event.

7. The present situation thus is that, supposing the Chiefs concur with the Vice-Chiefs, there will soon come into existence the two bodies mentioned. . . .

S. MORLEY SCOTT

319. DEA/50271-A-40

Extrait d'une note de la 1re Direction de liaison avec la Défense pour le sous-secrétaire d'État aux Affaires extérieures

Extract from Memorandum from Defence Liaison (1) Division to Under-Secretary of State for External Affairs

SECRET [Ottawa], June 26, 1953

INTERDEPARTMENTAL WORKING PARTY ON DISARMAMENT

I thought you might wish to be informed of recent developments in our efforts to obtain professional advice for the Canadian delegate to the UN Disarmament Commission. . . . The Chiefs of Staff, at their meeting of May 28, 1953, rejected proposals for the establishment of an interdepartmental committee on disarmament reporting to Cabinet Defence Committee. Chiefs agreed, however, to the establishment of an interdepartmental working party composed of one representative from each of the services, from DRB and from the Atomic Energy Control Board, together with one (or two) representatives from External Affairs.

2. The first meeting of the Working Party was held on June 23rd last. Besides the scientific and service representatives, the meeting was attended by Mr. Chaput[50] of United Nations Division, who acted as steering member, Mr. MacLellan[51] of this Division and Mr. James George from our permanent delegation in New York, who came to Ottawa for this occasion.

3. I am informed that the meeting went off very well and that considerable co-operation and initiative was shown by the service and scientific members. Preliminary consideration was given to French disarmament proposals (the Moch plan) on which the French Embassy asked for our views recently. The various members of

[50] Roger Chaput.
[51] K.W. MacLellan.

the Working Party are to submit their considerations on the French plan by Friday, July 10th and are to meet on Wednesday, July 15th to draft a joint appreciation of the French disarmament proposals. This appreciation will be used in preparing our reply to the French Embassy and in advising our delegation at the United Nations on this subject.

M.H. WERSHOF

320. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

CONFIDENTIAL [Ottawa], September 29, 1953

. . .

3. *Disarmament*

United Nations Division: In his speech of September 21 during the United Nations Assembly general debate. Mr. Vishinsky dealt at some length with the problem of disarmament and submitted a resolution on this subject. The Western Powers had more or less taken for granted that the Russians would launch a propaganda offensive on the question of disarmament although they had not expected that this would take place during the opening general debate. They had feared that this offensive might take the form of new disarmament proposals which might prove embarrassing for the West from a propaganda point of view. The resolution tabled by Mr. Vishinsky, however, contains nothing new and insists once again on (1) an immediate declaration by the Assembly for the unconditional prohibition of atomic weapons to be *followed* by the establishment of atomic energy control and (2) a reduction of the armed forces of the permanent members of the Security Council by one third. The Western Powers have up to now refused to accept the unconditional prohibition of atomic weapons *before* the establishment of effective international control of atomic energy and unless there are clear indications that the Soviet Union is ready to accept all the implications of this control, including inspection of national territories. There are no indications in the Soviet resolution or in Mr. Vishinsky's speech that any change has occurred in the USSR position on this point. A one-third reduction of armed forces is equally unacceptable by the Western Powers in view of the numerical superiority of the Soviet forces. As a counter move against the tabling of the Soviet resolution, the United States are anxious to submit a Western resolution on disarmament as soon as possible. A United States-United Kingdom draft resolution has been prepared which simply endorses the Disarmament Commission's hope expressed in its last report[52] that recent events will create a more propitious atmosphere for reconsideration of the disarmament question and requests the Disarmament Commission to continue its work. The Canadian Delegation has been authorized to concur in the United States-United Kingdom draft reso-

[52] Le 20 août 1953./August 20, 1953.

lution and to sponsor it together with other members of the Disarmament Commission.

. . .

321. DEA/50271-A-40

Note du sous-secrétaire d'État par intérim aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Acting Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], October 20, 1953

FRENCH DISARMAMENT PROPOSALS

You will recall that last May you had an informal discussion with the French Ambassador on the French Disarmament proposals which had been the subject of formal representations by him a few days earlier.

2. The recent establishment of the Interdepartmental Working Party on Disarmament in which the three armed services, the Defence Research Board, the Atomic Energy Control Board, and the Department are represented has made possible a detailed examination of the French proposals. The findings of the Working Party were embodied in a memorandum which was handed to Mr. de Laboulaye, Counsellor of the French Embassy on September 25th. Copy of this memorandum is attached for your information, together with the text of the proposals.†

3. As you know the French proposals constitute a first attempt to tackle all at once the various aspects of disarmament which up to now have been dealt with piecemeal by the Disarmament Commission. They provide for gradual disarmament in three stages, each of which is related to the disclosure of a certain amount of information on armed forces. The amount of information to be disclosed at each stage is not specified in the French text as it now reads. The disclosure of information to be effected in the first stage would be followed by (1) the prohibition of the manufacture and use of bacteriological weapons and (2) the limitation of armed forces and of all military budgets at the level verified during the first stage. The disclosure of additional information at the second stage would bring about (1) the discontinuation of the manufacture of atomic weapons and fissionable materials in dangerous quantities and (2) the prohibition of both qualitative and quantitative increases of conventional armaments.

4. A third disclosure of information would be followed by:

(a) The permanent control of atomic energy plants and research laboratories.

(b) The destruction of atomic weapons or their reconversion to peaceful purposes within a period of three months.

(c) The destruction of weapons of mass destruction within the same period.

(d) The prohibition of all use of atomic weapons or weapons of mass destruction.

(e) A *first* reduction within one year of conventional armaments and armed forces.

5. Following a report from the international control organ that all items in the third stage have been satisfactorily carried out, a *second* reduction of conventional armaments would take place during the following year, to be followed by a *third* reduction within the next twelve months.

6. The Interdepartmental Working Party has found the French proposals unacceptable for the following reasons:

(a) The French proposals provide for the limitation at the first stage of all armed forces and military budgets at the level verified during this stage. The implementation of this provision would place Canada and the other Western Powers in an undesirable position, bearing in mind the present numerical superiority of the armed forces of the USSR and the satellite countries.

(b) The proposals provide for the destruction and prohibition of all atomic weapons and weapons of mass destruction within a period of *three months* while the *first* reduction of armed forces and conventional armaments would take place within *one year*. They thus envisage the complete removal of atomic weapons and other weapons of mass destruction from the arsenals of the Western Powers before the first reduction of conventional armaments and armed forces is completed.

(c) The French envisage the discontinuance of the manufacture of atomic weapons and fissionable material in dangerous quantities at the second stage but foresee the establishment of "permanent control" of atomic energy plants only at the third stage. The examination of the problem of atomic energy control by the United Nations has established beyond doubt that prohibition of the manufacture of additional atomic weapons could only be ensured by means of a permanent control system which would be in existence at the date on which the discontinuation of the manufacture of atomic weapons comes into force.

(d) The French suggest that all information to be disclosed during a given stage should be released simultaneously and that international verification should only come after all such information has been released. The Interdepartmental Working Party considers that disclosure within a given stage should take place progressively and that verification should be effected as soon as possible after each step of disclosure within each stage. Only thus can the Western Powers limit to a minimum the risk of disclosing substantial data on their armed forces and armaments without receiving equivalent information from the Soviet bloc.

(e) The French proposals fail to provide any indications on the permanent control of atomic energy plants (and of laboratories) which is at the heart of the disarmament problem.

7. You will recall that the United Kingdom and the United States expressed opposition to the French proposals when they were first submitted to them in June 1952. Both countries repeated their objections last June when the French approached them again on this subject.

8. In accordance with an understanding reached with the French Embassy the attached memorandum is regarded as an "official" as distinct from a "governmental"

reply which would require approval by the Cabinet Defence Committee. This is without prejudice to the submission of a governmental reply at a later stage if the French want it so.[53]

C.S.A. R[ITCHIE]

322. DEA/50189-40

La délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Delegation to the General Assembly of the United Nations to Under-Secretary of State for External Affairs

LETTER NO. 53 New York, October 23, 1953

CONFIDENTIAL

Reference: Our telegrams 158 of October 8,† 138 of October 6,† and your telegram No. 24 of September 24.†

At a further meeting of members of the United States, United Kingdom, French, and Canadian Delegations yesterday afternoon, the composite draft of a resolution on disarmament, the text of which we sent to you with our telegram under reference, was discussed and slightly revised.

2. The United Kingdom and Canadian representatives said that although the composite draft was unexceptionable, it might be improved by shortening and simplifying the preamble which seemed to us repetitious. In regard to the section dealing with the economic development fund for under-developed countries, the United Kingdom representative secured the United States agreement on language taken from the relevant ECOSOC resolution adopted last August, which was as far as the United Kingdom Government was prepared to go in committing themselves to the idea that a portion of the savings that would result from disarmament should be devoted to economic development. The revised draft resolution which the four delegations agreed to, subject to further instructions from their Foreign Offices, is attached. I should be grateful for your comments.

3. As regards sponsorship, we put forward the suggestion you had made that all members of the Commission might be asked to sponsor the resolution. The United Kingdom representative thought that this should if possible include the USSR representative, as our resolution was quite innocuous. The United States representative doubted that it would be possible to include the USSR but supported our proposal.

DAVID M. JOHNSON

[53] L.B. Pearson parapha cette note.
The memorandum was initialled by L.B. Pearson.

[PIÈCE JOINTE/ENCLOSURE]

Texte du projet de résolution sur le désarmement proposée par les États-Unis, le Royaume-Uni, la France et le Canada

Text of United States — United Kingdom — France — Canada Draft Resolution on Disarmament

CONFIDENTIAL [New York, October 22, 1953]

The General Assembly

Reaffirming the responsibility of the United Nations for considering the problem of disarmament and the regulation of armaments (US paragraph 1 and Article 11(i) of the Charter)

Mindful that progress in the settlement of existing international disputes and the resulting re-establishment of confidence are vital to the attainment of peace and disarmament (US paragraph 3, with parts of US paragraph 5) and that efforts to reach agreement on a comprehensive and co-ordinated disarmament programme with adequate safeguards should be made concurrently with progress in the settlement of international disputes (US paragraph 5 and parts of US paragraph 4)

Confident that once such a programme has been agreed and put into effect, all States will stand ready to ask their peoples to devote a portion of the savings thereby achieved to an international fund to assist reconstruction in under-developed areas of the world (US paragraph 6 with Foreign Office amendment)

Having received the Third Report of the Disarmament Commission of August 20, 1953, submitted in accordance with General Assembly Resolution 704(vii) of April 8, 1953 (US paragraph 7)

Endorsing the Commission's hope that recent events will create a more propitious atmosphere for reconsideration of the disarmament question, whose capital importance in conjunction with other questions affecting the maintenance

1. *Takes note* of the Third Report of the Disarmament Commission (US paragraph 9)

2. *Requests* the Commission to continue its efforts to reach agreement on the problems with which it is concerned and to report again to the General Assembly and the Security Council not later than September 1, 1954 (US paragraph 10 with minor drafting amendment)

3. *Calls on* all member States and particularly the major powers to intensify their efforts to assist the Disarmament Commission in its tasks and to submit to the Commission any proposals which they have to make in the field of disarmament (US paragraphs 4 and 11).

323. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 401 New York, November 5, 1953

CONFIDENTIAL. IMPORTANT.

FIRST COMMITTEE — DISARMAMENT

Reference: Our letter No. 53 of October 23.
Repeat Washington No. 143.

With the adjournment of the Burmese item today, we shall commence the disarmament item to-morrow morning, November 6, when the debate will be opened by Selwyn Lloyd.

2. The resolution forwarded with our letter under reference, with perhaps one or two very minor changes will be tabled either late this afternoon or first thing to-morrow. In accordance with our suggestion, the present members of the Disarmament Commission and those who will be coming on to the Commission next year have all been asked to co-sponsor the resolution, and so far only the USSR and New Zealand have not agreed. The New Zealand delegation is under instructions not to sponsor because of the economic development paragraph, and the Soviet delegation, which was approached by Wadsworth of the United States only this morning, have not yet given their reply. The sponsorship will therefore probably be as follows:— the United States, the United Kingdom, France, Canada, China, Colombia, Denmark, Pakistan, Lebanon, Chile, Greece and (almost certainly) Brazil and Turkey.

3. As we had expected, the third paragraph of the preamble concerning economic development seems likely to give us the most trouble in this generally innocuous resolution. The Latins feel that it does not go far enough, while Australia and New Zealand think it goes too far. In order to satisfy the Latins to some extent, Selwyn Lloyd in his statement to-morrow will explain that this paragraph should not be taken to mean that the delegations sponsoring the resolution "are in any way retreating from or postponing their existing undertakings to assist in financing of economic development at the present time to the largest extent feasible". Lodge, when he speaks on Monday will associate the United States with this explanation, saying that "the language does not imply the slightest intention to lessen our current and continuing pledges to help in the economic development of other countries".

4. I am reporting these proposed statements verbatim partly in view of the *Ottawa Journal*'s critical editorial on October 29 of the Canadian delegation's similar stand in Committee Two. I assume that in our statement we can also associate ourselves with this interpretation of the resolution, although it is one with which neither the Australian nor New Zealand delegations will agree.

5. Jules Moch is arriving to-morrow to take over this item for the French delegation.

324. DEA/50189-40

Extrait d'un télégramme du secrétaire d'État aux Affaires extérieures au chef de la délégation à l'Assemblée générale des Nations Unies

Extract from Telegram from Secretary of State for External Affairs to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 203 Ottawa, November 6, 1953

CONFIDENTIAL. IMPORTANT.

FIRST COMMITTEE — DISARMAMENT

Reference: Your telegram No. 401 of Nov. 5 and your letter No. 53 of October 23.

We are in agreement with the revised draft enclosed with your letter under reference, which, we believe, constitutes a substantial improvement on previous texts.

2. We would welcome sponsorship of this draft resolution by the USSR. We are inclined to share US doubts on this score in view of the second paragraph of the preamble which implies that the settlement of international issues other than disarmament should come first. Although we are inclined to agree with this order of priority for all practical purposes, we do not think its importance is such that we should not agree to a rewording of this paragraph which would remove any indication of priority, in the event that this would induce the Russians to co-sponsor the resolution. This could be done by deleting the first half of the paragraph which would then read "Mindful that efforts to reach agreement etc.".

3. With regard to the paragraph of the preamble dealing with economic development, there seems to be some element of danger in so far as Canada is concerned in the mention of financial assistance "to the largest extent feasible" (UK) or of "continuing pledges" (US). It would seem therefore that rather than associate ourselves with the United Kingdom and United States interpretations it would be better for the Delegation to state that our support for this part of the resolution "does not mean that Canada intends to postpone or reduce its existing undertakings to assist in the financing of economic development". With regard to the wording of this paragraph, we are wondering why the word "development" was deleted from the text of the ECOSOC declaration [54] since this seems to eliminate underdeveloped countries which have not suffered from war destruction.

. . .

[54] Voir le document 265./See Document 265.

325. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 416 New York, November 6, 1953

CONFIDENTIAL

FIRST COMMITTEE — DISARMAMENT —SOVIET STATEMENT

Reference: My immediately preceding message.†
Repeat Washington No. 147.

It is generally agreed among those who have been following disarmament matters that Vishinsky's statement this morning contained no clear advance on previous statements of the Soviet position. It did, however, make perhaps a little more explicit than previously the point that the "decision on prohibition should enter into force simultaneously with the entry into operation of the control organ". "We do not contend", he said, "that the Assembly should first decide on the prohibition of the atomic weapon and then at some remote future stage perhaps set up control".

2. This statement is an improvement as compared with the way in which Malik put it in the Disarmament Commission on May 8, 1952; "We should take, not a decision in principle, but concrete practical decisions which can insure an immediate substantial reduction of armaments and armed forces, and the prohibition of atomic weapons". Vishinsky this morning made it clear that not until the control system was in operation would the prohibition be legally binding.

3. In the light of this formulation, we are, I think, entitled to ask Vishinsky why his government refuses to discuss or explain their vague general proposals concerning inspection and control until the Assembly has taken "a decision". What we need is not merely simultaneity of prohibition and control, but simultaneity in consideration of concrete proposals on these subjects in the Disarmament Commission.

4. I may say something along these lines in the context of world tensions when we come to the Soviet item in about two weeks, but I do not propose to take part in the debate returning to Ottawa Monday evening.

326. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 427 New York, November 9, 1953

CONFIDENTIAL

FIRST COMMITTEE — DISARMAMENT

Reference: Your teletype No. 203 of November 6.

Ward Allen of the United States Delegation was glad to have your suggestion concerning the deletion of the first half of paragraph 2 of the preamble if that would make it easier for the Russians to co-sponsor or at least vote in favour of our 14 power resolution. He thought, however, that, in view of what he interpreted as Mr. Vishinsky's "renewal of the tough line" on November 6, we should not go too far towards meeting the Russians and certainly not until we hear either publicly or privately their reactions to our resolution, which Mr. Vishinsky said on Friday his government "would study carefully".

2. Allen said that the only Soviet reaction his delegation had received was Malik's informal comment that they could not co-sponsor with the "Kuomintang clique". Malik had also made this comment to Johnson last week and had in addition, as we have already reported, said that paragraph 2 would be difficult for them. This we have passed on to the Americans.

3. As regards the paragraph dealing with economic development, the word "development" had been inadvertently omitted in our working draft prepared by the United States Delegation and this word was put into the draft before it was officially tabled in the Assembly. Copies of the resolution as submitted will by now have reached you by airmail.

4. We should be particularly interested in your early comments on the Australian proposal.

327. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 429 New York, November 9, 1953

CONFIDENTIAL

FIRST COMMITTEE — DISARMAMENT

Reference: Our teletype No. 427 of November 9.
Repeat Washington No. 150.

Lodge's statement this morning in the disarmament discussion was little more than an exposition of what President Eisenhower and Mr. Dulles had said on this subject in April and September.

2. After reviewing the position of the United States he interpreted Vishinsky's statement of November 6 and the Soviet resolution on the next item as a backward step compared with the position the Soviet delegation had taken last spring when they had voted for most of the First Committee's resolutions and seemed to have abandoned their insistence on a ⅓ cut in armaments and armed forces. The USSR, he said, evidently did not want their proposals for inspection and control to be discussed until they had in effect been accepted. This was impossible because safeguards were of the essence in any acceptable scheme. So long as the Soviet Union maintained its programme of imposing by force its ideas upon the world, it was necessary for the rest of us to remain strong. "In spite of everything, however, we still hope" for disarmament, he concluded.

3. A series of speakers then criticized the fourth paragraph of our preamble dealing with economic development. The Netherlands, Colombia and Peru believed it had not gone far enough towards meeting the aspirations of the under-developed countries to tell them that they would have to wait for economic development until disarmament had been agreed among the powers. The prospect was too remote. As a result, the sponsors will probably drop this paragraph, which has obviously failed in its purpose of appealing to the under-developed countries or at least putting the blame for not helping them more on the Soviet Union. At any rate it seems a mistake in tactics to import the Second Committee's difficulties into the first Committee when the disarmament problem can quite well be considered without this paragraph. I hope you agree.

4. In view of the fact that we are co-sponsoring this resolution, we shall make a brief statement in the general debate, probably on Wednesday afternoon but possibly tomorrow afternoon. We are eighth on a list of twenty-three. The general debate list has now been closed.

328. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 430 New York, November 9, 1953

CONFIDENTIAL

FIRST COMMITTEE — DISARMAMENT — INDIAN AMENDMENTS

Reference: Our teletype No. 427 of November 9.
Repeat Washington No. 151.

The Indian delegation this morning tabled four amendments to the 14-power resolution apparently designed to

(a) Meet the objections of the under-developed countries to our paragraph dealing with economic development,

(b) Make the formulation of the disarmament problem more acceptable to the Soviet Union, and

(c) Urge the United States, USSR, United Kingdom, France and Canada "to hold private talks on the problems of disarmament without prejudice to the work of the Disarmament Commission".

The text of the Indian amendments is given in my immediately following message.

2. Mr. Menon had shown Mr. Pearson a copy of his proposed amendments over the week-end. In their original form, the suggestion for 5-power talks had explained parenthetically that Canada was included among the powers principally concerned in atomic matters, but this phrase was dropped before the amendments were tabled. Mr. Pearson did not commit us to support the Indian amendments but is of the opinion that if we could do so without offending the United States we should.

3. Bechhoefer of the United States delegation told us after this morning's meeting that although they had as yet no instructions from the State Department on the Indian amendments, they doubted whether they would be able to support them. He was afraid that the second amendment might be interpreted by the Russians to mean that the Assembly was in favour of declaring atomic weapons prohibited before effective measures of control had been agreed. They also do not like the first and fourth amendments. On Mr. Pearson's instructions, we explained to Bechhoefer that far from seeking to have Canada included in Menon's proposed invitation for a 5-power meeting, we would be willing to ask him to withdraw our name if it would make the proposal any more acceptable to the other powers concerned.

4. Mr. Pearson thought that even if the United States, as we had expected, were not favourably disposed to these amendments, we might consider supporting them.

329. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 431 New York, November 9, 1953

FIRST COMMITTEE — DISARMAMENT — INDIAN AMENDMENTS

Reference: My immediately preceding teletype.
Repeat Washington No. 152.

Following is the text of Indian amendments to the 14-power resolution on disarmament tabled this morning. Text begins:

1. Substitute the fourth paragraph of the preamble by the following:

Realizing that an armaments race is not only economically unsound but is in itself a grave danger to peace.

2. Insert a new operative paragraph 1 as follows:

Recognizes the general wish and affirms its earnest desire to eliminate altogether the use and power to use atomic, bacterial, chemical and all such other weapons of war and mass destruction and to reach agreement as early as possible on effective measures to achieve this end.

3. Renumber the existing operative paragraphs 1, 2 and 3.

4. Insert an additional operative paragraph 5 as follows:

Urges the representatives of the Governments of the United States, the Union of Soviet Socialist Republics, the United Kingdom, France and Canada to hold private talks on problems of disarmament without prejudice to the work of the Disarmament Commission, to facilitate progress towards agreement in this field. Text ends.

330. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 438 New York, November 10, 1953

CONFIDENTIAL. IMMEDIATE.

FIRST COMMITTEE — DISARMAMENT

Reference: Our teletypes No. 430 and No. 431 of November 9.

Following from Johnson, Begins: Before he left for Ottawa yesterday afternoon we had a few words with Mr. Pearson about the Indian amendments and told him that the United Kingdom Delegation would probably support the first and oppose the second and fourth. They could support the second if it were amended to make clear that the proposal did not mean prohibition first and safeguards afterwards and that it included not only atomic but conventional arms. The fourth amendment presents a similar difficulty for them as the presence of Canada in the place of China seems to imply that the talks would be primarily atomic and they would try to persuade Menon to withdraw this amendment.

2. Mr. Pearson had already had some second thoughts about supporting all the Indian amendments. He thought that we might abstain on the second, explaining that although we had no objection to it, it had seemed ambiguous, and abstain on the fourth on the grounds that the proposal mentioned Canada and we would only want to take part in such talks if that were the wish of the Assembly and the four powers concerned.

3. We expect that a meeting of the co-sponsors will be called to consider our position on the Indian amendments early this afternoon. As our statement may have to be given later this afternoon, and as you have not yet had an opportunity to give us your views, we shall simply say that we are giving the Indian amendments sympathetic consideration and will explain our position on these points at a later stage in the debate. Mr. de Lotbinière[55] took back to Ottawa yesterday evening a rough draft of our statement. If there is anything you wish us to change please let us know as soon as possible. We should also be grateful for your early comments on the Indian amendments. Ends.

[55] A.C.E. Joly de Lotbinière, du ministère des Affaires extérieures, avait été détaché auprès du ministère des Finances jusqu'en juillet.
A.C.E. Joly de Lotbinière, Department of External Affairs, was on loan to Department of Finance until July.

331. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 446 New York, November 10, 1953

RESTRICTED. IMMEDIATE.

FIRST COMMITTEE — DISARMAMENT

Reference: Our telegram No. 438 of November 10.

We had a private meeting before lunch of the United States, United Kingdom, French and Canadian delegations to consider what should be done about the Indian amendments. The consensus was in favour of letting it be known immediately that we would withdraw the controversial fourth paragraph of the preamble on economic development. If the other ten sponsors agree, we might also incorporate certain changes in a sponsors' revision of our resolution which would go at least part of the way towards meeting the intention of the Indian amendments, using their language where we could.

2. In place of the Indian amendments we might incorporate in the resolution the following:

(a) In place of the first amendment:

"*Conscious* of the continuing desire of all nations, by lightening the burden of armaments, to release the world's human and economic resources for peace;"

(b) In place of the second:

"*Recognizes* the general wish and affirms its earnest desire as a part of a comprehensive programme of regulation, limitation and balanced reduction of all armed forces and armaments, to eliminate altogether the use of, and power to use atomic, bacterial, chemical and all such other weapons of war and mass destruction, through reaching agreement as early as possible on effective measures to achieve this end;"

(c) In place of the fourth:

"*Requests* the Disarmament Commission to study the desirability of establishing a restricted sub-committee consisting of representatives of the powers principally concerned, which should seek in private to find a solution acceptable to each of them and report to the Disarmament Commission".

3. We made it clear that we had no basic objection to any of the proposed Indian amendments but thought that the changes proposed would be improvements and would have the added advantage that all of us (United States, United Kingdom, France and Canada) could support them. The French and the United States delegations hoped that Canada would be included in any private talks among the powers principally concerned in the context of the Disarmament Commission. The United

Kingdom were not anxious, however, to increase the difficulties of their position over Chinese representation.

332. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 447 New York, November 10, 1953

FIRST COMMITTEE — DISARMAMENT

Repeat Washington No. 157.

The following is the text of a statement made this afternoon by the Canadian representative, Mr. D.M. Johnson. Text begins:

Mr. Chairman:

The distinguished representative of the Soviet Union covered a good deal of ground in his statement to the Committee last Friday, November 6. He gave us a full account of the position of his government, particularly as regards the vital questions of prohibition of atomic weapons and their control. He also referred, as have others in this debate, to certain paragraphs of the Soviet resolution which is to be considered under our next item.

As regards the 14-power resolution which my delegation is co-sponsoring, I was glad to hear Mr. Vishinsky say that his government would consider it very carefully. I earnestly hope that his government will be able to support our resolution in its entirety, despite the differences between our approach to the problem of disarmament and that of the Soviet Union.

I am encouraged to hope that the Soviet delegation will be able to give our resolution its support by two facts. In the first place it cannot be denied that we have tabled a mild and at the same time forward-looking resolution. In the second place the Soviet delegation voted for almost every part of the Assembly's resolution No. 704 of March 17 last. Specifically, the Soviet delegation voted for that part of the resolution which required the Disarmament Commission "to continue its work for the development by the United Nations of comprehensive and co-ordinated plans providing for:

(a) The regulation, limitation and balanced reduction of all armed forces and armaments;

(b) The elimination and prohibition of all major weapons including bacteriological, adaptable to mass destruction;

(c) The effective international control of atomic energy to ensure the prohibition of atomic weapons and the use of atomic energy for peaceful purposes only; the whole programme to be carried out under effective international control in such a way that no state would have cause to fear that its security was endangered;"

If the light of pure reason and the improvement in the international atmosphere in recent months are any guide, I see no reason why our resolution should not be adopted unanimously. That, together with the end of the fighting in Korea, would give the Disarmament Commission a propitious start on what I hope and believe will prove to be a new and productive phase of its work. But Mr. Chairman, I must confess that I was perplexed by some of the statements Mr. Vishinsky made and by the terms of the resolution his delegation has tabled, for they seem to me to imply a position which would be retrogressive from the point of view of reaching agreement on the question which, as Mr. Vishinsky said himself, is "the most important in the world".

Let us look for a moment at the relevant paragraphs of the Soviet resolution to be considered under the next item. It asks this Assembly to declare ". . . atomic, hydrogen and other types of weapons of mass destruction to be unconditionally prohibited". That is what the Soviet resolution proposes, "with the object of averting the threat of a new world war and strengthening the peace and security of nations". This declaration would be accompanied by an instruction of the Security Council — not the Disarmament Commission — "to take immediate steps to prepare and implement an international agreement which will ensure the establishment of strict international control over observance of this prohibition". In discussing the Disarmament Commission's report Mr. Vishinsky went further and said that the Assembly could not expect results from the Disarmament Commission until its terms of reference were changed. He wanted us to instruct the Disarmament Commission to reach agreed decisions concerning both prohibition of atomic weapons and control over this prohibition, and to report for the consideration of the next session of the General Assembly.

Now let us look at this proposition and examine it in the light of what Mr. Vishinsky has told us about the "declaration" or "decision" which Soviet representatives have been urging the Assembly or the Disarmament Commission to take for several years. What would it mean?

It would mean, as I understand it, that if we were to declare now at this Assembly the unconditional prohibition of atomic, hydrogen and other types of weapons of mass destruction, as the Soviet resolution asks us to do, then and only then would the Soviet representative on the Disarmament Commission be prepared to discuss with us the practical arrangements which would be necessary if we were to have an agreed system of safeguards through international inspection and control. Mr. Vishinsky in the Assembly and Mr. Malik in the Disarmament Commission have made a great play of the so-called Soviet "concession" of simultaneity — that is their proposal that the prohibition of atomic weapons would come into effect legally only with the entry into operation of the control system. In the meantime, Mr. Vishinsky has told us that [the] declaration such as he now proposes we subscribe to would have what he calls "moral and political significance". He says his government for one would abide by it, even before it became legally binding, as I understand it, if others were to do likewise. But surely the whole problem, at least from our point of view, is how are *we* to know that atomic plants behind the iron curtain are not, during this period, increasing *their* stock piles?

May I suggest to the Soviet representative that our more immediate need, if we are to make any headway here, is for the Soviet representative to be prepared to discuss with us *simultaneously* both the question of prohibition *and* the question of inspection and control. So far, he and his colleagues have virtually refused to discuss anything except the declaration or prohibition. Until they are prepared to talk, about the practical arrangements envisaged under their control system, the work of the Disarmament Commission will continue to be deadlocked and sterile.

Even if we were to agree tomorrow on a political decision in principle to prohibit the atomic bomb *when* the control system covering the atomic and conventional fields was working, it would still take us a long time, with the best will in the world, to work out the details of an agreed control system. Why cannot we start this work now, and clear the ground as soon as possible of the very considerable amount of technical work that will in any case have to be done before disarmament could begin to become a fact?

I think I have said enough, Mr. Chairman, to show that the Soviet proposals need clarification, to say the least. There is ample opportunity for this to be done in the Disarmament Commission where we have a competent body already in existence. There is no dispute over its composition, or the time and place when it should meet. In view of the Soviet acceptance of the problem before the Disarmament Commission, as embodied in the second section of resolution 704 which I read at the beginning of my statement, we can say that there is in fact no fundamental difference of *aim*. And as it is the *means* that we must talk about in the Commission, it is in our view essential for the Soviet Government to refrain from merely reiterating its demand for some kind of general "declaration" and refusing even to discuss the ways and means of achieving the ends which all those who desire peace and hate war have in common.

As regards the Indian amendments, Mr. Chairman, my delegation is giving them its sympathetic consideration and may comment on them in greater detail at a later stage. I have only this to say at present. Before the Indian amendments were tabled my delegation came to the conclusion, in view of the eloquent statements of the distinguished representatives of the Netherlands, Colombia, Ecuador and Peru on Monday, supported by statements of the representatives of Argentina, Venezuela and Egypt today, that we would be well advised to leave the economic aspects of this debate to the Second Committee where they belong. This would mean withdrawing from our resolution the fourth paragraph of the preamble which was largely borrowed from a resolution of the Economic and Social Council. This paragraph was intended to have an appeal which it is clear from the debate it does not possess. So far as the Canadian delegation is concerned, we should be glad to see this paragraph dropped. Text ends.

333. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 454 New York, November 11, 1953

FIRST COMMITTEE — DISARMAMENT

Reference: Our teletype No. 452 of November 10.†

Following is the text of the Soviet amendments to the 14 power resolution circulated towards the end of yesterday afternoon's meeting. Text begins:

1. In the first paragraph of the preamble, add the following after the words "and the regulation of armaments,":

"and the problem of the prohibition of atomic, hydrogen and other types of weapons of mass destruction, and of the establishment of international control over the observance of that prohibition".

2. Replace the second paragraph of the preamble by the following:

"*Recognizing* that for the purposes of strengthening the peace and security of the nations and successfully settling controversial international problems the primary task is to secure the immediate settlement of the question of the reduction of armaments, the prohibition of atomic and hydrogen weapons and the establishment of strict international control over the observance of that prohibition".

3. Amend the third paragraph of the preamble to read as follows:

"*Believing* that progress in the above-mentioned field would also contribute to progress in the settlement of other controversial international problems".

4. Replace paragraph 2 of the operative part by the following:

"*Requests* the Commission to submit to the Security Council not later than 1 March 1954 proposals providing in the first place for a substantial reduction in the armaments of the five powers — the United States of America, the United Kingdom, France, the People's Republic of China and the Soviet Union — and for the prohibition of atomic, hydrogen and other types of weapons of mass destruction, and the establishment at the same time of strict international control over the observance of that prohibition". Text ends.

334. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 459 New York, November 11, 1953

IMPORTANT

FIRST COMMITTEE — DISARMAMENT

Reference: Our telegram No. 452 of November 10.†

Following is text of paragraphs revised at a meeting of sponsors this morning in order to incorporate what we could of the Indian amendments. Text begins:

Conscious of the continuing desire of all nations by lightening the burden of armaments, to release more of the world's human and economic resources for peace,

1. *Recognizes* the general wish and affirms its earnest desire to eliminate altogether, as a part of comprehensive and co-ordinated plans, under international control, for the regulation, limitation and balanced reduction of all armed forces and armaments, the use of, and power to use, all major weapons adaptable to mass destruction including atomic, hydrogen, bacterial and chemical weapons through reaching agreement as early as possible on effective measures to achieve this end;

5. *Suggests*[56] sub-committee consisting that the Disarmament Commission study the desirability of establishing a small[57] of representatives of the powers principally involved,[58] which should seek in private an acceptable solution and report to the Disarmament Commission. Text ends.

2. The resolution as revised is to be tabled in the First Committee this afternoon.

3. We have just been advised by the Australian delegation that they will be submitting the following paragraph as an addition to the preamble, but it has not yet been considered by the sponsors.

Text begins: "Believing that the continued development of weapons of mass destruction such as atomic and hydrogen bombs has given additional urgency to efforts to bring about effectively controlled disarmament throughout the world, as the existence of civilisation itself may be at stake." Text ends.

---

[56] Note marginale:/Marginal note:
[former word]: "Requests"

[57] Note marginale:/Marginal note:
[former word]: "restricted"

[58] Note marginale:/Marginal note:
[former word]: "concerned"

335. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 462 New York, November 11, 1953

CONFIDENTIAL. IMPORTANT.

FIRST COMMITTEE — DISARMAMENT — SPONSORS' REVISIONS

Reference: Our telegram No. 459 of November 11.

1. With our message under reference we have sent you the terms in which the fourteen sponsors agreed this morning to revise our resolution in a maximum effort to meet the ideas of the Indian amendments, using where possible their language. There were, however, one or two among the sponsors, notably Turkey, who objected rather strongly to amending our resolution in this direction, but agreed to go along with the majority only on the understanding that all the sponsors would oppose the Indian amendments if the Indian Delegation insisted on putting them to the vote despite our revision to meet their points.

2. Earlier in the meeting we had made it clear that we had no basic objections to any of the Indian amendments and could have supported their economic paragraph. However, for the sake of unanimity among the sponsors in supporting revisions which did go quite a long way to meet the Indians and which gave us a more flexible Western position than we have had in any previous resolution on this subject: we did not insist on retaining our freedom to support the Indian amendments.

3. To our regret the Indian Delegation, whom we informed immediately after this morning's meeting of our moderately successful efforts to have most of their ideas adopted by the sponsors, did not see fit to withdraw their first two amendments but they have withdrawn their suggestion for five-power talks.

4. The Indians understood our position and appreciated our efforts.

336. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 470 New York, November 12, 1953

RESTRICTED

FIRST COMMITTEE — DISARMAMENT

Reference: Our telegram No. 463 of November 11th.†
Repeat Washington No. 162.

The general debate was concluded this morning.

2. As evidence that we have gained additional support for our resolution by the revisions we have adopted, the Yugoslav representative announced that he would now be able to support our revised resolution whereas he could not have accepted it in its original form.

3. Pakistan also joined in the chorus of those urging the great powers to get together in private. Although the majority of delegations of under-developed countries had spoken against the paragraph on economic development which we have now dropped, Pakistan maintained that the commitment of the major western powers to devote a portion of their savings on disarmament to economic development gave the under-developed countries "a particular stake in disarmament" without delaying the implementation of any present plans in this field.

4. Arce of Bolivia was the only speaker to associate himself with the compromise proposals put forward by Jules Moch yesterday.

5. At a further meeting of the United States, the United Kingdom, French and Canadian delegations this afternoon, it was agreed that we on behalf of the other three should try to work out with the Indians some compromise language that would enable Menon to withdraw his first amendment dealing with the arms race in terms which the United States and other sponsors still find objectionable. We are to hold a further meeting of the 14 sponsors before tomorrow morning's meeting of the Committee in order to decide finally how we shall vote on the various amendments. At this afternoon's meeting of the four delegations we agreed to accept the Australian amendment and reject all Soviet amendments, although Moch may abstain on the first Soviet amendment which he tried to persuade us to accept in a modified form.

337. DEA/50189-40

Le secrétaire d'État aux Affaires extérieures
à la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Delegation to the General Assembly of the United Nations

TELEGRAM 222 Ottawa, November 13, 1953

CONFIDENTIAL. IMMEDIATE.

DISARMAMENT — SOVIET AMENDMENTS

Reference: Your telegram No. 454 of November 11, 1953.

We would have no objection to the first Soviet amendment if the last two words "that prohibition" were replaced by something like "all aspects of a comprehensive disarmament programme" but would be inclined to go along with the views of the other co-sponsors on this point.

2. We do not consider we should agree to a statement emphasizing that disarmament should be settled before other international issues. As indicated in our telegram No. 203 of November 6, we would have no objection to a paragraph indicating that there should be a "concurrent" or "simultaneous" examination of all international problems including disarmament. We should not press this point however if the United States and the United Kingdom are not willing to go that far. The French, as you know, have insisted in the past that disarmament should be first on the agenda of a Big Four meeting.

3. The third amendment becomes irrelevant in the light of our comments on the second amendment, and of the third paragraph of the 14 Power Resolution.

4. The fourth Russian amendment is unacceptable for the obvious reason that the Western Powers cannot agree to anything like "a substantial reduction in the armaments of the five powers". This amendment is in line with the Soviet resolution on their own disarmament item which reserves the implementation of disarmament to the Security Council where the USSR can use their veto. This point might conveniently be made during the discussion of the Soviet item.

338. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 487 New York, November 13, 1953

CONFIDENTIAL

FIRST COMMITTEE — DISARMAMENT — AMENDMENTS TO THE 14-POWER RESOLUTION

Reference: Your telegram No. 222 of November 13.

As we expect to vote this afternoon we may find it too late to secure agreement among the principal co-sponsors to accept the first Soviet amendment with the changes you propose. Although the French will be interested, I doubt if either the United States or United Kingdom delegations will be able to agree on short notice, although I shall sound them out.

2. In a final effort to meet the Indian point of view, we have agreed on the following language in place of Menon's economic paragraph of the preamble: "realizing that competition in the development of armaments beyond what is necessary for individual or collective security of member states is not only economically unsound but is in itself a grave danger to peace". This would be voted as a sub-amendment.

3. At the request of the Egyptian delegation, acting on behalf of the Arabs, the sponsors will agree to add to the final paragraph of our resolution the following: "as soon as possible in order that the Commission may study and report on such a solution to the General Assembly and the Security Council not later than 1 September 1954". The Arabs will therefore support our resolution.

339. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 489 New York, November 13, 1953

RESTRICTED

FIRST COMMITTEE — DISARMAMENT

Reference: Our telegram No. 488 of November 13.†

We have completed a depressing day without coming to a vote. It was depressing, chiefly because Vishinsky was at his worst. For example, he rewarded Moch for his efforts to arrive at a compromise by insulting him on his most sensitive

point, saying that Adenauer was behaving like one of Hitler's gauleiters in telling France it must ratify EDC.

2. Menon was also in a sour mood and reacted with quite unnecessary heat to Selwyn Lloyd's suggestion that what he had said in his speech might sound a bit different in the context of a resolution, as Menon was proposing. Lloyd might have been better advised had he followed the French suggestion of not making an issue over the Indian amendments.

3. Before the committee meets tomorrow morning, we are to have another meeting of sponsors to decide finally on our position concerning the further modification of the Soviet amendments circulated this afternoon and on the revised Indian amendments. I think, however, that your instructions at present cover all contingencies and I shall let you know what is decided.

340. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 492 New York, November 14, 1953

RESTRICTED

FIRST COMMITTEE — DISARMAMENT

Reference: Our telegram No. 489 of November 13.

Having hit bottom yesterday, the tone of the Committee was much better today. After Lloyd had said he hadn't meant it and Menon said he was sorry, Menon agreed to accept a re-wording of his important second amendment which would change the meaning so that all sponsors could accept it. The revised wording is as follows:

"*Recognizes* the general wish and affirms its earnest desire to reach agreement as early as possible on a comprehensive and co-ordinated plan under international control for the regulation, limitation and reduction of all armed forces and armaments and for effective measures to eliminate altogether the use and power to use atomic, hydrogen, bacterial, chemical and all such other weapons of war and mass destruction".

2. Menon also agreed with one small change to a United Kingdom-inspired amendment submitted by Peru to the first Indian amendment which can now be accepted by all the sponsors and which will read as follows:

"*Realizing* that competition in the development of armaments and armed forces beyond what is necessary for the individual or collective security of member states in accordance with the Charter of the United Nations is not only economically unsound but is in itself a grave danger to peace."

3. Not content to leave well enough alone, however, Menon has moved the following paragraph be added to the operative part of our resolution:

"*Further requests* the Disarmament Commission in order to facilitate the progress of its work to arrange for the sub-committee, when established, to hold its private meetings in the different countries most concerned with the problem".

As this suggestion was originally Moch's, the United Kingdom and United States delegations will probably accept it although they are not particularly enthusiastic.

4. Malik was also in a more amenable frame of mind today than Vishinsky had been yesterday. As Moch told him, his re-definition of the Soviet position in terms of prohibition, reduction and control being "inextricably linked" could be accepted by the western powers but unfortunately the Soviet amendments had not put the problem that way.

5. We have adjourned at Menon's suggestion until Monday in the hope of securing the maximum unanimity on our resolution as amended by India.

341. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 501 New York, November 16, 1953

RESTRICTED. IMPORTANT.

FIRST COMMITTEE — DISARMAMENT

Reference: Our telegram No. 492 of November 14.
Repeat Washington No. 170.

When the group of sponsors met before the meeting of the First Committee this morning, we learned from Kyrou of Greece that Menon had been having some second thoughts about the revision of his second amendment which he had accepted and tabled on Saturday. No doubt, in a further effort to produce something that both sides could accept, Menon wanted to table a fourth revision this morning and hoped the sponsors would agree. After some discussion which showed that certain members of the sponsors' group, including Turkey and the United States, were getting a little tired of considering new Indian amendments every day, we finally secured agreement on the following language as a *final* version of the paragraph:

"*Recognizes* the general wish and affirms its earnest desire on a comprehensive and coordinated plan under international control for the regulation, limitation and reduction of all armed forces and armaments, for the elimination and prohibition of atomic, hydrogen, bacterial, chemical and all other such weapons of war and mass destruction, and for the attainment of these ends through effective measures."

2. In order to meet Soviet, Yugoslav and Indian amendments to the first paragraph of our preamble, we are replacing it with paragraph 2 of resolution 704 in its

entirety, with the exception of the reaffirmation of resolution 502 which is the only part of the paragraph the Soviets did not support last April. We had drawn particular attention to this paragraph in our statement as giving the Disarmament Commission an agreed definition of its objectives.

3. The Indian delegation has also tabled this morning a second resolution, according to which the assembly would remit "to the Disarmament Commission for its consideration the proposals of the USSR delegation contained in paragraphs 2, 4 and 5 (of the Soviet amendments)". In order to avoid giving the Soviet proposals such prominence and perhaps an excuse for priority in the Commission, the sponsors are adding to operative paragraph 3 of our resolution the words "taking into consideration proposals made at the Eighth Session of the General Assembly".

4. After these various further amendments had been explained by their sponsors, the Committee agreed, at the request of the Soviet delegation, to postpone debate until tomorrow so that delegations may receive instructions on the new proposals. There is now some hope that the Soviet delegation will be able to support our resolution as a whole, abstaining on certain paragraphs which it cannot fully accept.

5. Perhaps our most difficult remaining problem will be how to handle the following additional Soviet amendment which would replace the first operative paragraph of our resolution with the following:

"*Recognizes* that the use of atomic and hydrogen weapons as weapons of aggression and mass destruction is contrary to the conscience and honour of the peoples and incompatible with membership in the United Nations and declares that the government which is the first to use the atomic, hydrogen or any other instrument of mass destruction against any other country commits a crime against humanity and will be deemed a war criminal".

6. We have declined to take the lead in speaking against this paragraph, as we feel that to explain our position in detail would only play into the hands of the Soviet delegation in making a bigger point of the refusal of the western powers to agree to this paragraph, but it may be that Moch will speak on this point if Malik raises it tomorrow. Meantime Lloyd thinks we should deal with the problem by amending the Soviet language so as to make it clear that *aggression* rather than the dropping of an atomic bomb is what should be condemned as a "crime against humanity" and he will propose alternative language to cover this point at a further meeting of sponsors this afternoon. Since this point does not concern us directly, I propose to agree to whatever language is satisfactory to the United States, United Kingdom and French delegations.

7. We shall also have to vote on the following additional Indian amendment to the Soviet amendments concerning the "chicken and the egg" argument over disarmament and relaxing international tensions. The third paragraph of the preamble of the Soviet amendments as amended by India would read:

"*Believing* that progress in the field referred to in paragraph 1 of this preamble would also contribute to progress in the settlement of other controversial international problems.

Further believing that progress in either field would contribute to progress in the other".

8. Since this amendment has been submitted to an amendment they will oppose in any case, the United States, United Kingdom and France will oppose this amendment and we propose to do likewise.

342. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 503 New York, November 16, 1953

RESTRICTED. IMPORTANT.

FIRST COMMITTEE — DISARMAMENT

Reference: Our telegram No. 501 of November 16.
Repeat Washington No. 171.

At the meeting of sponsors late this afternoon agreement was reached that we should circulate a revision as a consolidation of all paragraphs of our resolution now accepted by the sponsors. The text of this revision is given in our immediately following message.

2. As you will see the Indian suggestion that the private talks should be held in the various countries concerned has not been included in our revision as the United States delegation is not yet in a position to accept it but they may be able to tomorrow.

3. We are to have a further meeting of sponsors before the First Committee meets tomorrow morning to consider the following amendment proposed by the United Kingdom to the Soviet amendment recognizing that the use of atomic weapons would be a crime against humanity: Text begins:

Recognizes that, *whatever the weapons used* , aggression is contrary to the conscience and honour of the peoples and incompatible with membership in the United Nations *and is the gravest of all crimes against peace and security throughout the world.*

Text ends.

4. Although none of us are keen on sending the Soviet proposals to the Disarmament Commission, as the Indians have suggested we should, Lloyd pointed out this afternoon that the Russians may agree to support or abstain on resolution only on the condition that their proposals are transmitted without vote to the Commission. This point appealed to Moch but not to the Americans.

343. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 504 New York, November 16, 1953

IMPORTANT

FIRST COMMITTEE — DISARMAMENT

Reference: Our immediately preceding message.

Following is text of consolidated revision of our 14-power resolution on disarmament: Text begins:

The General Assembly

Reaffirming the responsibility of the United Nations for considering the problem of disarmament and the regulation of armaments and affirming the need of providing for

(a) The regulation, limitation and balanced reduction of all armed forces and armaments;

(b) The elimination and prohibition of atomic, hydrogen and other types of weapons of mass destruction;

(c) The effective international control of atomic energy to insure the prohibition of atomic weapons and the use of atomic energy for peaceful purposes only;

The whole programme to be carried out under effective international control and in such a way that no state would have cause to fear that its security was endangered;

Believing that the continued development of weapons of mass destruction such as atomic and hydrogen bombs has given additional urgency to efforts to bring about effectively controlled disarmament throughout the world, as the existence of civilization itself may be at stake,

Mindful that progress in the settlement of existing international disputes and the resulting re-establishment of confidence are vital to the attainment of peace and disarmament and that efforts to reach agreement on a comprehensive and co-ordinated disarmament programme with adequate safeguards should be made concurrently [with?] progress in the settlement of international disputes,

Believing that progress in either field would contribute to progress in the other,

Realizing that competition in the development of armaments and armed forces beyond what is necessary for the individual or collective security of member states in accordance with the Charter of the United Nations is not only economically unsound but is in itself a grave danger to peace,

Conscious of the continuing desire of all nations, by lightening the burden of armaments, to release more of the world's human and economic resources for peace,

Having received the third report of the Disarmament Commission of 20 August 1953, submitted in accordance with General Assembly resolution 704 (VIII) of 8 April 1953,

Endorsing the Commission's hope that recent international events will create a more propitious atmosphere for reconsideration of the disarmament question, whose capital importance in conjunction with other questions affecting the maintenance of peace is recognized by all,

1. *Recognizes* the general wish and affirms its earnest desire to reach agreement as early as possible on a comprehensive and coordinated plan under international control for the regulation, limitation and reduction of all armed forces and armaments, for the elimination and prohibition of atomic, hydrogen, bacterial, chemical and all such other weapons of war and mass destruction, and for the attainment of these ends through effective measures;

2. *Takes note* of the third report of the Disarmament Commission;

3. *Requests* the Commission to continue its efforts to reach agreement on the problems with which it is concerned, taking into consideration proposals made at the Eighth Session of the General Assembly, and to report again to the General Assembly and to the Security Council not later than 1 September 1954;

4. *Calls on* all member states and particularly the major powers to intensify their efforts to assist the Disarmament Commission in its tasks and to submit to the Commission any proposals which they have to make in the field of disarmament;

5. *Suggests* that the Disarmament Commission study the desirability of establishing a sub-committee consisting of representatives of the powers principally involved, which should seek in private an acceptable solution and report to the Disarmament Commission as soon as possible in order that the Commission may study and report on such a solution to the General Assembly and to the Security Council not later than 1 September, 1954.

344. DEA/50189-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 230 Ottawa, November 17, 1953

IMMEDIATE

FIRST COMMITTEE — DISARMAMENT

Reference: Your telegrams Nos. 501, 503 & 504 of Nov. 16.

We are in agreement with the final text contained in your telegram No. 504 and with the course of action suggested in paragraph 6 *in fine* of your telegram No. 501.

2. We also agree with the course suggested in paragraph 8 of your telegram No. 501 although we have no basic objection to the third Soviet amendment and to the

Indian sub-amendment. Acceptance of these amendments and also of amendments to paragraph 3 of preamble of 14 power resolution along lines suggested in our telegram No. 203 of November 6 are concessions which we consider might be made should the Soviet Delegate make them a condition of their approval of 14 power resolution. We are ready of course to go along with the views of the other co-sponsors and in particular of the United Kingdom, United States and France on this point.

3. We agree with the United Kingdom text contained in paragraph 3 of your telegram No. 503 and leave it to your judgment as to how the point mentioned in paragraph 4 of that telegram should best be handled.

345. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 509 New York, November 17, 1953

RESTRICTED

FIRST COMMITTEE — DISARMAMENT

Reference: Our telegrams Nos. 501, 503 and 504 of November 16.

As Malik had not yet received his instructions, the First Committee adjourned until tomorrow morning after hearing Lloyd explain the revision of the fourteen-power resolution and the sponsors' amendment to the Soviet amendment in which we are trying to make the point that aggression by whatever means, rather than the use of atomic weapons as such, would be a crime.

2. As China cannot accept the "Roving Commission" paragraph submitted by India, and as the United States delegation are still under instructions to abstain on it, this paragraph cannot be accepted by the sponsors although it will certainly be adopted.

3. Menon told us after the meeting this morning that he was disappointed that the sponsors were not supporting his motion to refer parts of the Soviet proposals to the Disarmament Commission without a vote. In an effort to gain our support he explained that he would only press his resolution to a vote if the Soviets supported or at least abstained on our resolution.

4. The United States, United Kingdom, and French delegations will probably oppose the Indian resolution if it is put to a vote on the grounds that, although the Soviet proposals will no doubt be repeated in the Disarmament Commission, to refer them to the Commission by a special resolution would give them a prominence they do not deserve especially bearing in mind that the sponsors have already gone a long way towards meeting some of the points contained in the Soviet's amendments.

346. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 513 New York, November 17, 1953

CONFIDENTIAL

FIRST COMMITTEE — DISARMAMENT

Reference: Your telegram No. 230 of November 17.

We have discussed once again with our United Kingdom and United States colleagues the suggestions you have made for amending the first Soviet amendment and what is now the third paragraph of the preamble of our 14-power resolution.

2. As regards the Soviet amendment, I think there is now general agreement in New York that our present first preambulatory paragraph is a better way of dealing with the Soviet amendment to our former first preambulatory paragraph, as we know that it is something they can vote for and it covers our position more exactly.

3. As regards the second suggestion you have mentioned for deleting the first part of our third preambulatory paragraph by the words "mindful that efforts to reach agreement . . . etc.", the United States delegation would prefer to keep our present language. So would the United Kingdom delegation although they agree that it might be useful to bear your language in mind in case Malik makes a particular point tomorrow morning of objecting to this paragraph.

347. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 520 New York, November 18, 1953

RESTRICTED

FIRST COMMITTEE — DISARMAMENT

Reference: Our telegram No. 230 of November 17.

Repeat Washington No. 175.

The First Committee finally adopted this morning, with the Soviet bloc abstaining, the 14-power resolution on disarmament (in the form given in our telegram No. 504 of November 16) with the addition of the Indian paragraph suggesting that the disarmament sub-Committee "hold its private meetings as appropriate in the different countries most concerned with the problem". The vote

on the resolution as a whole was 54 to none with 5 abstentions. Burma, feeling that anything less than complete unanimity among the great powers was useless, did not participate.

2. The Soviet bloc supported only the first and sixth paragraphs of the preamble. They voted against the third paragraph (which you had suggested amending) and abstained on everything else. Only on the final paragraph added at the suggestion of India (the "Roving Commission" paragraph referred to above) were the Soviet bloc joined by other abstainers who, in this case, included the United States, China, Cuba and Costa Rica: the vote on this paragraph was 45 to none with 13 abstentions.

3. The only other change made in the text of our resolution as you have it was the addition, as paragraph 2 of the operative part of our resolution, of the Soviet amendment as amended by the sponsors, saying that aggression, by whatever means committed, was a crime. The Committee's gratification over the final Soviet abstention on our resolution as a whole was somewhat offset by a heated procedural wrangle which developed over whether this Soviet amendment should or should not be put to a vote before the sponsors' sub-amendment, and Vishinsky complained that despite its efforts to be conciliatory the Soviet delegation was not even being allowed to have its amendment put to the vote. After a good deal of discussion over what was certainly a doubtful procedural point, the Committee decided under rule 130 to vote on the sponsors' sub-amendment first and when this was carried, the Committee decided not to vote on the original Soviet amendment, declaring whoever used the bomb first committed a crime against humanity.

4. The other Soviet amendments were decisively defeated though they drew support or abstentions from India, Indonesia, Afghanistan, Iraq, Saudi Arabia, Syria, Israel, Yugoslavia, Argentina, Bolivia and Guatemala, in addition to the Soviet bloc.

5. As Vishinsky saved the Americans the embarrassment of opposing the Indian resolution sending the Soviet amendments to the Disarmament Commission by doing so himself, Menon sadly withdrew his proposal, for which he had asked priority.

6. We shall proceed tomorrow morning to the next item which is the related Soviet item on relaxing international tensions.

348. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 526 New York, November 18, 1953

CONFIDENTIAL

FIRST COMMITTEE — DISARMAMENT

Repeat Washington No. 176.

As a result of the sponsors' considerable efforts to meet Indian and even Soviet views, we have achieved a satisfactory degree of unanimity although it would, of course, have been better if the Soviet bloc had been able to support the resolution instead of abstaining.

2. I would not, at this stage, attempt to assess the importance of our resolution. Certainly it is better for the future work of the Disarmament Commission that it be based on a resolution that was not opposed by the Soviet bloc, but I think all who have been involved in the sponsors' efforts to find common ground in the last ten days would agree that what we have really been doing is papering over the cracks with phrases that neither side can object to but which do not remove or even narrow the gap between our real positions. In a sense, therefore, it would be a mistake to draw hopeful conclusions from the near unanimity of our resolution. We need only recall the fact that last April we achieved a comparable degree of unanimity but the Disarmament Commission did not even meet in the months that followed. It is generally agreed here that unless a Korean political conference takes place the prospects of the Disarmament Commission are probably as bleak as ever. However, if the political conference does meet, I think it would be well worthwhile having private talks among the four or five countries principally concerned in an effort to have a new look at the whole problem. You will no doubt wish to consider what attitude we should adopt towards the Indian and French proposal that Canada should take part in these talks with the USSR, United States, United Kingdom and France in view of our atomic position.

349. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 555 New York, November 23, 1953

IMPORTANT

FIRST COMMITTEE — SOVIET ITEM — CANADIAN STATEMENT

Reference: Our telegram No. 546 of November 21.†

Following is text of statement made by Mr. Côté this morning, Text begins:

Mr. Chairman,

My intervention will be brief. In ranging over a wide field last Thursday, Mr. Vishinsky sought to establish the claim that the Soviet Union was doing all it could to reduce international tension. If international tension has not in fact been reduced, the fault, according to the Soviet representative, lay with the Western powers. This is, of course, familiar Soviet propaganda which we have learned to expect and which I doubt is taken seriously even in the countries of the Soviet bloc. What, in fact, has been our experience in this committee in the course of this double debate which we have had on disarmament and the reduction of international tensions?

Despite an obvious readiness and eagerness on the part of almost every representative in this committee to obtain a unanimously agreed formulation of the Disarmament Commission's very difficult task, the delegations of the Soviet bloc felt unable to join the 54 other delegations who supported the resolution we adopted last week. This in itself, although a depressing fact, would not have been so discouraging if the debate which had preceded the adoption of our resolution had shown even a slightly less inflexible attitude on the part of the Soviet Union. I am forced to admit, though I have searched carefully for any crumbs of comfort, that I have found none either in Soviet statements on the disarmament item or under the present item. While statements of other representatives showed at least an open mind towards the possibility of considering compromise proposals which would provide a genuine balance of risks and safeguards to both sides throughout the whole process of disarmament — including the prohibiting of the atomic and hydrogen weapons — the statements which we have had from Soviet representatives sounded as if they had been pieced together from what they have been saying to us for many years past.

I have no intention of rehashing old and unproductive arguments. If the Soviet Government are genuinely interested in relaxing tensions and making progress towards international agreement on prohibiting the bomb as a part of a comprehensive disarmament plan including effective safeguards, then they must talk to us about those safeguards, that is, about control. It is not enough to denounce our proposals and say virtually nothing about their own, as Mr. Vishinsky did last

Thursday. Between now and the time the Disarmament Commission meets we shall all of us have an opportunity for considering and reconsidering our respective positions. In doing so we cannot but be influenced by the realities of our present international situation and by such factors as whether or not the political conference on Korea shall by that time have been permitted to meet. At any rate, when the Disarmament Commission does meet, and if and when the private talks suggested by the Assembly take place, it is my profound hope that attempts at genuine compromise will not be contemptuously brushed aside as they have been during our present debates and a rigid position adopted based on the hypothesis of a false and doctrinaire economic determinism.

Last Thursday the distinguished representative of the Soviet Union devoted a good deal of his time to proving to his own satisfaction that the "profound contradictions" inherent in the capitalistic economy of the United States were leading what he called "reactionary circles" in this country to prepare "to unleash a third world war".

I am not surprised that Mr. Vishinsky, as is his wont, saw "profound contradictions" in the economy of the United States but it might have corresponded more closely with reality if he had looked for these contradictions in his own reasoning. He mentioned first of all that the current "arms race", as he called it, in this country was leading rapidly to *inflation*; and then, practically in the same breath, he said that these "reactionary circles" of his were forced to maintain and increase international tension because they were afraid of a *depression*. Well now, Mr. Chairman, even economic determinism cannot have it both ways. You can pile Pelion on Ossa if you like, but you should not make accusations which are so directly contradictory that they cancel out.

There is one thing that the conditioned mentality which produced such a distorted version of reality cannot for the life of it see. It is a perennial and inescapable blindspot of Communist mentality. As a result of it, actions are taken that as the distinguished representative of the Dominican Republic said this morning, have a profoundly disturbing effect upon the conscience of other peoples with different values.

A Communist society is by definition as well as by education incapable of understanding and consequently of appreciating that spiritual values are on a different plane from the values of a government or even of a state. From their failure to realize or appreciate this essential difference of values, Communist states have in recent years contributed not a little to increasing international tensions by the shocks they have perhaps unwittingly administered to the rest of mankind who are not blinded in this particular way.

My government finds it difficult to believe that the Soviet Government, and those associated with it, wish to reduce international tension when at the same time they permit, indeed engineer, religious persecution within their own borders; these actions contradict their professed intentions. This is particularly the case in Poland where religious persecution has recently been renewed. Such things as the trial of Bishop Kaczmarek, three priests and a nun for crimes alleged to have been committed before 1947, followed the arrest of Cardinal Wyszynski and the removal of his

churchly offices without any charge being laid against him, offends one's sense of justice. They have aroused great indignation in my own country, and certainly do not make for easing of international tension.

I speak of these things, Mr. Chairman, not in order to provoke an acrimonious debate, but because I feel, as I said, that Soviet leaders do not and cannot appreciate how other peoples feel and judge their behaviour in this matter of religious persecution. It is not something that effects only one church or faith. I have mentioned only one example, but similar instances could unfortunately be given affecting every main branch of Christendom, and indeed the other principal faiths as well. Perhaps one function of this Assembly, which remains at present the only forum in the world where it seems each side can talk to the other, should be to provide an opportunity to both sides to make it clear to the other what, in its opinion, increases international tension. It is in that spirit that I have felt constrained to raise this subject, for I am sure Soviet leaders have little conception how others in our interdependent world react to their brutal persecution of those who try to live their lives in the service of something higher than the state. Ends.

350. DEA/50189-40

Extrait d'un télégramme du chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Extract from Telegram from Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 573 New York, November 25, 1953

RESTRICTED. IMPORTANT.

FIRST COMMITTEE — SOVIET ITEM

Reference: Our teletype No. 565 of November 24.†

. . .

2. When we vote on the Soviet resolution (Document A/2485 of September 21†), probably tomorrow morning, we intend, unless we hear from you to the contrary, to vote against all paragraphs of the Soviet resolution except the first which we might support or abstain. This will correspond with the position to be adopted by most old Commonwealth countries; the United States will vote against all paragraphs.

351. DEA/50189-40

Extrait d'un télégramme du chef de la délégation
à l'Assemblée générale des Nations Unies
au secrétaire d'État aux Affaires extérieures

Extract from Telegram from Chairman,
Delegation to the General Assembly of the United Nations,
to Secretary of State for External Affairs

TELEGRAM 587 New York, November 26, 1953

RESTRICTED

FIRST COMMITTEE — SOVIET ITEM

Reference: Our telegram No. 573 of November 25.
Repeat Washington No. 196.

After a long and dreary morning taken up largely by yet another repeat performance from Vishinsky, the First Committee voted down the Soviet resolution. On the first two operative paragraphs the Soviet bloc alone were in favour, 32 (including Canada) against, and 14 abstentions, from the Afro-Asian group plus Argentina and Bolivia. On the third and fourth operative paragraphs, India and I think Yugoslavia supported the Soviet group. On the second paragraph of the preamble the vote was 7 to 26 with 18 abstentions.

2. Only the first paragraph of the preamble was carried by 17 in favour (including the Soviet bloc, India, Yugoslavia, Peru, Egypt, Syria, Yemen), none against and 30 abstentions. Lodge finally agreed with the rest of us not to vote against the innocuous first paragraph so that all countries with forces in Korea were able to abstain on this.

3. As the operative part of the resolution was defeated, the first paragraph of the preamble therefore also falls.

4. In the course of his statement, Vishinsky repeatedly needled both the United States and United Kingdom delegations. He called the United Kingdom an aircraft carrier for American atomic bombers and referred at length to prison conditions in the United States, McCarthyism, racial discrimination, State Department book burning, and the like. He also described the forthcoming Bermuda conference as "collusion" among the Three Powers for serious and possibly dangerous purposes.

5. Lodge replied tartly that he was surprised to find Vishinsky lecturing him on prison conditions; that if the Soviet Union really wished to reduce tensions there were doors already open to them. He concluded by a further appeal to the Communists not to turn the United Nations into "a bull pen for a succession of unseemly wrangles. We represent the human race now tragically capable of destroying itself".

. . .

352. DEA/50189-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 611 New York, November 28, 1953

PLENARY — DISARMAMENT

The General Assembly this morning adopted the resolution recommended by the First Committee by a vote of 54 to none with 5 abstentions. In the paragraph by paragraph ballot, the Soviet bloc voted in favour of paragraphs 1, 2 and 6 of the preamble, against paragraph 3 of the preamble and abstained on the remainder.

2. France, the USSR, USA, Czechoslovakia, and Yugoslavia spoke briefly in explanation of vote.

353. DEA/14001-2-1-40

Note du ministère des Affaires extérieures

Memorandum by Department of External Affairs

SECRET [Ottawa], December 22, 1953

PRESIDENT EISENHOWER'S SPEECH OF DECEMBER 8 BEFORE THE UNITED NATIONS GENERAL ASSEMBLY

The proposal put forward by President Eisenhower in his speech to the United Nations General Assembly on December 8, 1953, is that, to the extent permitted by elementary prudence, the governments principally involved begin and continue to make joint contributions from their stock piles of fissionable material to an International Atomic Energy Agency set up under the aegis of the United Nations. The Agency would use this fissionable material for peaceful purposes only, experts[59] being mobilized to advise methods whereby atomic energy would be applied for agriculture, medicine, electric power, etc. The President suggested that this proposal be examined during private conversations which may take place pursuant to the General Assembly resolution of November 28 last which suggested that "the Disarmament Commission study the desirability of establishing a special committee, consisting of representatives of the powers principally involved, which should seek, in private, an acceptable solution — and report on such a solution to the General Assembly and to the Security Council not later than September 1, 1954".

2. The Eisenhower proposal was presented as a measure designed to bring about East-West co-operation on one aspect of atomic energy, thus paving the way for a general settlement of all the problems of atomic energy including the prohibition of

[59] Note marginale:/Marginal note:
Including *Russian*! The Pres [ident] should be investigated. [L.B. Pearson]

atomic weapons. Present efforts by the United Nations to solve this problem since 1946 have ended in a deadlock between the Western Powers and the USSR. It is true that these efforts have produced the United Nations Plan for International Control of Atomic Energy which was approved by the General Assembly in 1948. But the Communist countries opposed the plan at the time and no progress has been made since then. The stumbling block in East-West negotiations has been the question of international control of atomic energy without which adequate safeguards against the use of the bomb cannot be insured. The USSR has up to now shown no indication that it is ready to accept all the implications of what is regarded by the West as an effective international control system including continuous inspection of national territories and plants. As pointed out by President Eisenhower, his proposal has "the great virtue that it can be undertaken without irritations and mutual suspicions incident to any attempt to set up a completely acceptable system of world wide inspection and control".

3. On December 9 the Prime Minister welcomed the President's "imaginative and constructive approach to what is perhaps the greatest problem of the day" and assured the Members of the House of Commons that the President's statement would receive "most careful and sympathetic consideration by the Canadian Government".

The Eisenhower Plan and the Disarmament Problem

4. The President's speech is concerned exclusively with the use of atomic energy for peaceful purposes. It does not deal with the problem of atomic weapons and does not indicate any fundamental change in the United States attitude on the crucial question of atomic energy control. The speech cannot be regarded therefore as making any direct contribution to the settlement of the general problem of disarmament and in particular to the question of prohibition of atomic weapons. This was quickly pointed out in Pravda's single comment on the morrow of the speech which said that "the President in his speech did not express his attitude on the question of outlawing atomic weapons".

5. The President's message nevertheless makes an indirect contribution to the settlement of the problem of atomic warfare by putting forward a proposal whose implementation would, to use the words of the President, "open up a new channel for peaceful discussion and initiate a new approach to the many difficult problems" with which the world is confronted. There is no doubt that the co-participation of the East and the West in one field of atomic energy might conceivably create a more favourable climate for their ultimate co-operation in other fields, i.e. atomic disarmament. Irrespective of the propaganda value of the President's speech, this is perhaps its chief merit from the point of view of bringing about a satisfactory solution of the problem of disarmament.

6. A further contribution of the Eisenhower proposal, which is actually mentioned in the speech, is that the installation of an international pool of fissionable material would "begin to diminish the potential destructive power of the world's atomic stockpiles", the inference here being that the amount of fissionable material con-

tributed by the participating powers would mean that much less for use in the making of atomic weapons.[60]

Political Value of the Speech

7. The speech should be regarded as a shrewd move from the point of view of psychological warfare. It places the United States in the eyes of the world as the first country which is endeavouring to end the prolonged deadlock between the East and the West on the problem of disarmament.

8. The President's speech reaffirms in striking terms the concern of the leading power in the field of atomic warfare for the consequences of the use of atomic weapons and reiterates in a spectacular manner the United States desire to seek a solution to the problem of atomic energy. In this particular respect, the President's message has undoubtedly great value. Throughout the disarmament discussions in recent years, the USSR has repeatedly insisted on the immediate outlawing of atomic weapons to be followed by the establishment of an international system of atomic energy control. While Western refusal to accede to this request is no doubt justified in view of the USSR refusal to agree to an effective international control system, there is no doubt that the Western Powers find themselves in a somewhat vulnerable position in view of the great appeal which the elimination of atomic weapons has in the world at large, particularly since Malenkof's pronouncement on the Russian H bomb.

9. Most of all, the President's proposal is a major contribution on the part of the United States administration towards the lessening of international tension.[61]As such, the speech should prove helpful in offsetting the impression occasionally given in the past that the United States was dragging behind other Western powers in their efforts to end the cold war. In the atmosphere of hope for greater progress among the Major Powers in the near future the President's address the day before the General Assembly adjourned provided a fitting climax for the eighth session. As a follow-up to the Bermuda decision on a Big Four meeting, the speech carried the conviction that the United States and the powers most closely associated with it genuinely wanted to negotiate with the Soviet Government and would make every effort to break the deadlock on outstanding issues overshadowed by the common fear on both sides of the stupendous piling up of atomic and hydrogen weapons.

Problems which would arise if the Eisenhower Plan were to be Implemented

10. On the basis of the sketchy outline given by the President, it would seem that the implementation of his proposal will give rise to some technical problems which, while not insurmountable can be expected to cause great difficulty. The biggest hurdle will of course be to persuade the Congress to amend the McMahon Act.[62]This amendment must not only make it possible for the United States to con-

---

[60] Note marginale:/Marginal note:
If so, can we go ahead without the USSR. [L.B. Pearson]

[61] Note marginale:/Marginal note:
? [L.B. Pearson]

[62] Note marginale:/Marginal note:
In favour of the USSR when they have hitherto refused to do it for their friends. [L.B. Pearson]

tribute fissionable material to an international agency, but must also make provision for the release of types of information which have hitherto been highly classified. It can only be hoped that the President's conviction that he will be able to persuade the Congress to do this will prove to be well founded.[63]

11. A major technical problem will arise in the determination of the amounts of fissionable material to be contributed by the various countries who are in a position to do so. While the United States is now in a position to make available sizeable quantities of fissionable material to an international agency without in any way handicapping its own programme, it is very likely that both the United Kingdom and Russia would consider that their resources of fissionable material are so limited that the provision of more than token amounts[64] to an international agency would not be "permitted by elementary prudence".

12. It should be relatively easy to arrange for small amounts of fissionable material to be put to good use for research purposes, but by far the most important peacetime utilization of fissionable material is in the development of power, which will involve relatively large expenditures and the application of highly specialized engineering skills. Past experience has shown that international research and development organizations are prone to all the inefficiencies that seem to be inherent in any body involving a coalition of national interests. The greatest care will have to be exercised if these are to be avoided and a power development programme carried through to a successful conclusion under the aegis of an agency of the United Nations.

13. In spite of the limitations mentioned above, it should be emphasized that the positive features of the proposal would give very great encouragement to the ideal of the free flow of scientific knowledge, and this, coupled with the practical scientific benefits, however modest, which would accrue from the implementation of the plan, would make it worthy of adoption if at all possible.

Canadian Participation in Private Talks

14. The views expressed above are of course tentative, and firm conclusions on the merits of the Eisenhower proposal should await more detailed consideration such as will take place during the private conversations envisaged above in the event that Canada participates in them. While the disarmament resolution as finally approved by the General Assembly does not mention the names of the countries which would participate in private talks, the original Indian proposal in this connection specified that these countries should be France, the United Kingdom, the United States, the USSR and Canada, with the parenthetical explanation that Canada was included as a power principally concerned with atomic matters which, the Indians suggested, should be the subject of the private talks. The Western Powers including Canada were anxious that these conversations cover conventional as well as atomic armaments. It was considered by the United Kingdom delegation that the

---

[63] Note marginale:/Marginal note:
? [L.B. Pearson]

[64] Note marginale:/Marginal note:
Yet their scientists will have access to US material. [L.B. Pearson]

Indian suggestion presented a difficulty since the presence of Canada in the place of China seemed to imply that the talks would be primarily if not exclusively concerned with atomic weapons. It was accordingly agreed to incorporate the Indian amendment in the form which was finally approved by the Assembly (see paragraph 1 above).

15. We were informed at that time that the French and the United States Delegations hoped that Canada would be included in any private talks. The United Kingdom on the other hand was not anxious "to increase the difficulties of their position over Chinese representation". In his speech in the United Nations, President Eisenhower, having referred to the "dread secret" of atomic development, said:

"In the first place, the secret is possessed by our friends and allies, Great Britain and Canada, whose scientific genius made a tremendous contribution to our original discoveries and the designs of atomic bombs."

"The secret is also known by the Soviet Union."

Since Canada is a pioneer worker in the field of atomic energy, it would appear to be most desirable that she should participate in any private discussions on the Eisenhower proposal.

Soviet Reaction to the Eisenhower Plan

16. In a statement issued on December 21 the Soviet Union expressed its readiness to take part in private talks on the Eisenhower Plan. The greater part of its 4,000 word reply, however, may be regarded as an amplification of Pravda's comment on the day following Eisenhower's speech that the President by-passed the all-important question of the prohibition of atomic weapons. The Soviet reply is a restatement in moderate terms of the position repeatedly taken by the USSR in the past both on the general problem of disarmament and more recently on the question of reducing international tension. It emphasizes once again that the Soviet Government "considers the most important and urgent problem to be the unconditional banning of atomic and hydrogen weapons". The Soviet decision to take part in private talks is said to be based "on the idea that during such talks the following proposal of the Soviet Union will be considered at the same time":

"The states taking part in the agreement, guided by their wish for reducing international tension, undertake solemn and unconditional pledges not to use atomic, hydrogen or other weapons of mass extermination".

The Soviet text points out that international agreement on the prohibition of the use of atomic weapons would be an important step on the road to the complete withdrawal of these weapons together with the establishment of strict international control on the use of atomic energy for military ends, and also to the reduction of conventional weapons. In spite of the numerous qualifications of the USSR's acceptance to participate in private talks, Government officials in London and other Western European capitals have welcomed Soviet readiness to discuss the Eisenhower proposal. While pointing out that the Soviet Union "seems not to have caught the spirit of the President's proposal" the United States Secretary of State described the Soviet decision as "hopeful".

354. DEA/14001-2-1-40

Extrait d'une note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Extract from Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], December 23, 1953

PRESIDENT EISENHOWER'S PROPOSAL FOR ATOMIC CO-OPERATION

Since President Eisenhower made his speech to the United Nations Assembly on December 8th, a number of developments have taken place which you will wish to be informed about.

2. On December 9th, the Prime Minister, speaking in the House, welcomed the proposal and said that the President's statement would receive most careful and sympathetic consideration by the Canadian Government.[65]

3. In Telegram No. WA-2820 of December 9, 1953,† . . . our Embassy in Washington reported on the implications of the proposal, as seen by the State Department. Arneson of the State Department said that the purpose was to shift the emphasis from the disarmament aspects of the original Baruch[66] proposals and to emphasize the peaceful uses of atomic energy which have received relatively little attention in previous discussions.

4. In Telegram No. 687 of December 11, 1953,† . . . our Permanent Representative at New York reported that the United States Delegation had no instructions to supplement the President's proposal, nor had they any word as to when their Government wished them to raise the matter in the Disarmament Commission. The French Delegation thought that the Commission should not meet until towards the end of January so as to allow time for preliminary consultations between the United States, the United Kingdom, France and Canada. The United Kingdom Delegation thought the Commission should meet at once so that the initiative gained by the proposal might not be lost. Mr. Johnson concluded by asking for our views on:

(a) when the Disarmament Commission should meet;

(b) Canadian participation in the private talks among the members of the Disarmament Commission principally involved;

(c) President Eisenhower's proposals.

5. In our reply (Telegram No. 628 of December 16, 1953 † . . .), we said that it seemed to us that it would be wise to allow time for advance preliminary consultation before the Disarmament Commission met. Little progress could be made in any event until the United States Delegation was ready to supplement the Presi-

[65] Voir Canada, *Débats de la Chambre des communes* , première session, 1953-1954, p. 783.
See Canada, House of Commons, *Debates* , First Session, 1953-1954, p. 735.

[66] Bernard Baruch, représentant de l'Administration de l'énergie atomique des États-Unis.
Bernard Baruch, Representative of United States Atomic Energy Administration.

dent's initial proposal. We expressed the view at the official level that we would expect to participate in any private talks on President Eisenhower's proposal.

6. A Departmental Paper commenting on President Eisenhower's speech has been prepared and is attached . . . .[67] If you concur, I suggest that it be circulated as a Cabinet document.[68]

7. You may wish to consider whether any further step should be taken at this time by the Canadian Government to associate itself with the proposal, either by way of a further public statement or through diplomatic channels. On balance it would appear that there may be some merit in waiting until the United States Government has made a more detailed exposition of its proposal.

8. I should be grateful if you would confirm the understanding at the official level that Canada, because of its special position in atomic energy matters, would wish to participate in any private talks on the Eisenhower proposal.[69] I presume that our position with respect to participation in private talks on disarmament problems generally (exclusive of the Eisenhower plan) remains as heretofore, and that we would wish to join in only if it were desired by the other participating countries.[70]

. . .

R.M. M[ACDONNELL]
for C.S.A. R[itchie]

[67] Le document précédent./The preceding document.

[68] Note marginale:/Marginal note:
Yes [L.B. Pearson]

[69] Note marginale:/Marginal note:
Yes L.B. P[earson]

[70] Note marginale:/Marginal note:
Yes [L.B. Pearson]

5[e] PARTIE/PART 5

OFFICE DE SECOURS ET DE TRAVAUX DES NATIONS UNIES POUR LES RÉFUGIÉS DE PALESTINE
UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES

355. DEA/10170-C-40

Le sous-secrétaire d'État aux Affaires extérieures à la délégation à l'Assemblée générale des Nations Unies

Under-Secretary of State for External Affairs to Delegation to the General Assembly of the United Nations

LETTER NO. V-12 Ottawa, January 6, 1953

RESTRICTED

UNRWAPR — SUPPLEMENTARY CANADIAN CONTRIBUTION FOR 1952-1953

When Cabinet approved in May 1952 Canada's contribution of $600,000 to the Agency for the fiscal year July 1, 1952 to June 30, 1953, it also agreed that a further contribution would be made at the beginning of 1953 if, at that time, the Canadian Government were satisfied with the financial response of other member states and the progress achieved by UNRWAPR in carrying out its relief and resettlement plans. The Canadian contribution, if any, would be based on the matching formula.

2. In order to assist us in deciding whether we should approach Cabinet at the time our final supplementary estimates for 1952 are being considered (on or about March 31st next) and, if so, the size of the contribution to be recommended, we would appreciate receiving from you at an early date the latest information you may have of the contributions received from or pledged by governments, as well as any other details which may be considered useful. Your advice and comments would, of course, be most appreciated.

S. MORLEY SCOTT
for the Under-Secretary of State
for External Affairs

356. DEA/10170-C-40

Extrait d'une dépêche du représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Extract from Despatch from Permanent Representative to the United Nations to Secretary of State for External Affairs

DESPATCH 76 New York, January 14, 1953

RESTRICTED

UNRWAPR — SUPPLEMENTARY CANADIAN CONTRIBUTION FOR 1952-1953

Reference: Your letter No. V-12 of January 6, 1953.

We were in the process of bringing this matter to your attention when we received your communication under reference.

2. The fiscal year with which we are concerned covers the period June 30, 1952 to June 30, 1953. Any exact assessment of the value of what governments have so far contributed for this particular period has, of course, to be made in the light of what was done during the equivalent period of June 30, 1951 to June 30, 1952. You will recall that there was, in Document A/2210 of October 6, 1952 (the Report of the Negotiating Committee for Extra Budgetary Funds) a summary of those accomplishments for the fiscal year 1951-52. For the sake of convenience, it might be useful to reproduce here the relevant paragraph of that Report:

"For the fiscal year 1 July 1951 to 1 July 1952, contributions totalling the equivalent of $66,305,143 in cash from twenty-five countries, and $1,084,794 in kind from eleven countries were pledged to UNRWA; of these, two countries made contributions both in cash and in kind. A list of these contributions appears as annex C to the present report. In the previous year contributions totalling the equivalent of $38,004,943 from twelve countries and $738,504 in kind from five countries were received."

3. On the ledger, for the fiscal year 1952-53, we find that approximately $78,500,000 have so far been pledged to UNRWAPR. The first list of these pledges, as at August 31, 1952, was published by the Agency as annex D to Document A/2210 already mentioned. It is assumed that this Document is available to you. To complete these data, we are enclosing a copy of Working Paper No. 4 — Revision 2, issued on January 8, 1953 by the Negotiating Committee and which contains the list of all cash pledges to the Agency as of January 8, 1953;† also attached is a copy of a list of the contributions in kind made by governments to the Agency, and particularly by governments of the Near East.† You will note that on the basis of this documentation the amount of approximately $78,500,000 so far pledged comes from 22 countries.

4. Since we are only at the half-way mark of the present fiscal year of the Agency, the actual account of the contributions pledged for this year undoubtedly represents an improvement on last year's achievement for the same period, and gives us reason to believe that the ultimate results on 30 June, 1953 should be

noticeably higher than for the previous year. You will also note that some 19 countries which have not yet contributed have nonetheless sent representatives before the Negotiating Committee and have given the Committee to understand that serious consideration was being given by their governments to a possible contribution to the cause of the Palestine refugees.

5. Canada's further contribution, as we understand it, was not to exceed $600,000 and was to be based on two factors:

(a) the response from other countries with similar responsibilities, and

(b) the likelihood that the Agency's programme could be successfully carried out.

6. It appears from what we have said above that responses from other countries have been reasonable. As regards the successful carrying out of the Agency's programme, we have no later information than that given in Mr. Blandford's[71] report to the Ad Hoc Committee at the Seventh Session of the General Assembly. From that report, which is available in your files, it would appear that the Agency, though beset with difficulties and spending more on direct relief than had been anticipated, is making substantial progress.

7. Hence, as the two conditions upon which Canada's further contribution depended have, to a considerable extent, been met, and as Canada made no contribution for the fiscal year 1951-52, we think that a further substantial contribution would be justified. We do not wish to specify any particular figure, but are not urging that our additional contribution should reach the full ceiling amount of $600,000.

8. If our contribution is less than the ceiling of $600,000, would you agree that in announcing it we might say that the full ceiling amount of $600,000 would have been paid if the response had been more universal and if the contributions made by some governments had been more substantial?

. . .

DAVID M. JOHNSON

357. **DEA/10170-C-40**

Note de la Direction des Nations Unies

Memorandum by United Nations Division

RESTRICTED [Ottawa], January 23, 1953

PALESTINE REFUGEES: CONVERSATION WITH MR. B.W. RUFFNER, CONTROLLER OF THE UNITED NATIONS RELIEF AND WORKS AGENCY

Mr. B.W. Ruffner, Controller of UNRWAPR (on loan from the State Department) called on January 20 to find out whether the Government of Canada would

---

[71] John B. Blandford, directeur de l'Office de secours et de travaux des Nations Unies pour les réfugiés de Palestine dans le Proche-Orient jusqu'en mars.
John B. Blandford, Director, United Nations Relief and Works Agency for Palestine Refugees in Near East until March.

be contributing a further amount to the Agency for the relief and rehabilitation of Palestine Refugees during the financial exercise July 1952 — June 1953 as it intimated in July 1952 at the time of its initial contribution. There were present besides Mr. Ruffner, Messrs. L.A.D. Stephens[72] and J.E. Thibault[73] of this Department and Mr. S. Pollock of the Department of Finance.

2. Mr. Ruffner was reminded that when Canada announced its intention to make a possible further contribution, it also added that the contribution would depend (1) on the programme of the Agency enjoying good prospects for success, and (2) on other countries with responsibilities similar to those of Canada contributing in like degree. Before Cabinet could be approached, therefore, it was necessary to find out whether these conditions were being met. It might also be useful to find out the extent to which attention had been given by UNRWAPR to procurement in Canada of the commodities it required for its operation as was stipulated when the $600,000 Canadian contribution was made.

3. Mr. Ruffner began by saying that the Agency had already bought flour and dried skim milk in Canada to the value of approximately $1 million and was negotiating with the Canadian Commercial Corporation for the purchase of flour amounting to an additional $1 million.

4. With regard to the Agency's operations, Mr. Ruffner stated that the climate was more favourable to the resettlement programme now than ever before. He pointed out in particular that the Syrian Government had taken a long step forward by agreeing to grant asylum to from 80,000 to 85,000 refugees within its borders, and also called attention to Jordan's Yarmuk-Valley project for the resettlement of some 250,000 refugees. Off the record, Mr. Ruffner confirmed that the UNRWAPR-Syria agreement would involve an expenditure by the Agency of $30 million. (This fact, which the Syrian Government, for domestic reasons, is anxious should not be discussed publicly, has already been reported by the *New York Times* and has not been denied since. It was also mentioned to our Permanent Representative to the United Nations in New York by Gardiner of the State Department on October 24 last). The cost to the Agency of the Yarmuk project has been set at $11 million although Jordan is reported as asking for an extra $50 million. Indications are that the Arab countries although slow in the past to subscribe to the Agency's resettlement programme are now anxious to get their fair share of the funds available, and for this purpose to co-operate with the Agency.

5. Mr. Ruffner incidentally stated that the Syrian Government's decision to be responsible for 80,000 refugees was not based on purely altruistic or humanitarian motives. It was done for economic and military reasons as well. He felt that Syria as an under-populated country could take many more refugees who brought with them trade and technical know-how, which the country could use. Mr. Ruffner also added that while the works' projects of the Agency in Syria would be fully imple-

[72] Chef de la Section de coordination politique.
Head, Political Coordination Section.

[73] La Direction des Nations Unies.
United Nations Division.

mented, many of the difficulties experienced to date had to do with political instability, a recurrent problem with Arab Governments in the Middle East.

6. Questioned as to whether the foregoing information was common knowledge, and if not, whether it was available to our Permanent Delegation in New York, Mr. Ruffner replied that it would be found in the Director's Monthly Progress Report, a mimeographed document bearing a security classification, and distributed in New York by the Agency's liaison officer, Miss Molly Flynn. The report was now available to one of the Arab Governments, Syria, as a result of its membership in UNRWAPR Advisory Commission. Messrs. Stephens and Thibault expressed doubts as to whether the Permanent Delegation was receiving Mr. Blandford's Monthly Progress Reports and undertook to bring the matter to Mr. Johnson's attention in order that his office and the Department be as fully informed as possible of the developments which were taking place.

7. On the subject of government contributions to the Blandford plan Mr. Ruffner speaking for himself said of the new United States administration that while he thought it would not reverse the policies followed by Mr. Truman, it might prove itself more careful in expending public funds for United Nations Assistance Programmes. He then said that the United States had appropriated $65 million under the Mutual Security Act for UNRWAPR during 1952-53 and that all that remained was for the sum to be paid out. A similar sum would undoubtedly be appropriated for 1953-54. Mr. Ruffner also stated that the latest notes of the meetings of the Negotiating Committee on contributions to programmes of relief and rehabilitation showed a greater participation by governments than in previous years. (Some 22 governments had already made pledges).

8. With regard to the administration of UNRWAPR Mr. Ruffner pointed out that the high percentage of administrative expenditures (ten percent) noted in the last financial report and accounts of the Agency was due to the inclusion therein by error of transportation costs an item normally attributed to operational expenditures. Questioned as to whether the employment of refugees by the Agency gave satisfaction Mr. Ruffner said that judged by normal standards they gave a good account of themselves. There was the occasional minor pilfering of grains in transit from Egyptian ports to the Agency's warehouses, but this was more than balanced by the free transportation facilities which Egypt afforded the Agency's goods on its railways. Mr. Ruffner also said that the Agency could vouch for the fact that relief was distributed only to bona-fide Palestine refugees. Maximum limits were set on the amounts available for refugees in each country. Besides, refugees would not want to jeopardize the relief to which they were entitled by admitting non-refugees in their midst. An elaborate card index system was maintained.

9. Mr. Ruffner said that there is no source of real friction between Arab Governments and the Agency's technical personnel on the spot, although certain Lebanese officials had voiced objections against UNRWAPR's international staff because of the high salaries they received as compared with those paid locally for similar services.

10. Mr. Pollock seemed to be reassured on the two questions of the financial administration of the Agency and the prospects that the Agency would be able to conduct a successful operation.

358. DEA/10170-C-40

Le sous-secrétaire d'État aux Affaires extérieures au sous-ministre des Finances

Under-Secretary of State for External Affairs to Deputy Minister of Finance

CONFIDENTIAL Ottawa, February 14, 1953

Dear Mr. Taylor,

SUPPLEMENTARY CANADIAN CONTRIBUTION TO THE UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES 1952 – 1953

You will recall that on May 14, 1952 Cabinet agreed, when it recommended an initial contribution of $600,000 to the Agency for its fiscal year 1952-1953, that a further contribution up to $600,000 would be made at the beginning of 1953 if it appeared likely that the Agency's programme could be successfully carried out and that suitable contributions were forthcoming from other countries.

I now attach for your information copies of a table prepared in this Department showing the status of contributions pledged by Governments to the Agency as of January 23, 1953,† and of a memorandum of a conversation which took place between Mr. B.W. Ruffner, Comptroller of UNRWAPR and officers of our respective departments. From these documents and from the Report of the Director-General of the Agency to the Ad Hoc Committee of the seventh session of the General Assembly, which should be available in your files, it would appear that the conditions on which Canada's further contribution depended have to a large extent been met.

A draft memorandum to Cabinet has therefore been prepared with my Minister's concurrence recommending that Cabinet make a supplementary contribution of $600,000 to UNRWAPR for the year ending June 30, 1953. If the memorandum which I now attach for your consideration† should meet with your approval, it would be our intention to include the amount proposed therein in this Department's final supplementary estimate for 1952-1953.

As I understand that these will come up for consideration before the House Committee on External Affairs in the near future, your early reply would be much appreciated.

Yours sincerely,

L.D. WILGRESS

359. DEA/10170-C-40

Le sous-ministre des Finances
au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of Finance
to Under-Secretary of State for External Affairs

Ottawa, February 26, 1953

Dear Mr. Wilgress,

I have your letter of February 14th, requesting my comments on a draft memorandum to Cabinet recommending that Canada make a supplementary contribution of $600,000 to the United Nations Relief and Works Agency for Palestine Refugees for the year ending 30th June, 1953.

You recall that, in authorising an initial contribution of $600,000 for the Agency's fiscal year 1952-53, Cabinet agreed "at a later stage to contribute a further substantial amount if other countries with responsibilities similar to those of Canada contribute in like degree and if local conditions indicate that the operations of the Agency have a good chance of success". You now consider that these conditions have been "largely met" and that a further contribution of $600,000 "should not appear unreasonable and would seem to reflect realistically Canadian responsibility in the refugee problem and political interest in the preservation of a strategically important area".

While I note the "developments" you cite as evidence of UNRWAPR progress toward its objectives, I am certain you will agree that there are still formidable obstacles to be overcome if the programme is to be successful in making the refugees self-supporting and ultimately removing them from the international relief rolls. As you know, the Special Report of the Director and Advisory Commission of UNRWAPR to the Seventh Session of the General Assembly drew attention to "the time consumed in negotiations and the search for projects" and stressed that "the flow of funds for projects cannot be sustained unless funds now available are utilised". Even though the Assembly agreed to revise the programme so as to increase the funds for relief from $18 million to $23 million, there was some doubt that the Agency would be able to make effective use of the $100 million programmed for resettlement during 1953.

Since that time it has been encouraging to note the apparent progress in Mr. Blandford's negotiations with certain Arab states. Despite this progress, Mr. Gardiner of the State Department, who has been responsible for briefing the United States member of the Advisory Committee in Beirut, has again stressed the "tremendous" engineering, logistic and political difficulties to be overcome before actual work can begin on the Yarmuk project. The Syrian project appears to be in an even more preliminary stage of planning. Fear of political repercussions has delayed an announcement by the Syrian Government that the agreement authorising the project has been signed. As I understand it, no other agreements for large development projects have been completed. In the circumstances it seems clear that

the Agency will experience difficulty in finding suitable projects for spending the funds (in cash and pledges) already at its disposal.

I have discussed this matter with my Minister, who believes that it would be difficult to justify a further cash contribution until there is convincing evidence that acceleration of the reintegration programme provides a sound outlet for effective use of these additional funds.

At the same time, he recognizes that the refugees must be cared for until there is an opportunity for their resettlement. In this connection we have noted that the Agency issues 1,200 grams of dried skim milk monthly to 380,000 refugee children and nursing mothers. Canada is now in a particularly favourable position to supply this commodity. As you know, the Agricultural Prices Support Board was recently authorised to purchase 10 million pounds of powdered milk. It would therefore be particularly helpful if the Agency could arrange to meet its requirements of this commodity by purchases in Canada.

One way of accomplishing this would be to make a direct contribution of, say, $400,000 worth of powdered milk for the maintenance of the refugees, while expressing the hope that the plans for resettlement will progress to the point where the main objectives of the programme can be realised. Alternatively, if you consider that a direct gift in kind will raise problems either in our relations with the United Nations or by establishing a precedent which might lead other members, like the United States, to make "tied" contributions which might lead indirectly to a reduction of United Nations purchases in Canada, it might be possible to enquire informally through our Permanent Delegation in New York whether the Agent-General would be prepared to give informal assurances that a substantial part of any Canadian contribution would be used for the purchase of powdered milk in Canada. If you are able to accept these suggestions for modification of the Cabinet memorandum, the final proposals as to the most suitable procedure and the exact proportion of any contribution to be used for the purchase of powdered milk might be a subject for further interdepartmental consultation.

Yours very truly,

K.W. TAYLOR

360. DEA/10170-C-40

Note de la Direction des Nations Unies

Memorandum by United Nations Division

[Ottawa], April 7, 1953

CONTRIBUTIONS TO UNRWAPR

On Saturday I spoke to Mr. Léger giving him the pros and cons of providing for a contribution to UNRWAPR in the supplementary estimates.

2. I have had a telephone conversation with Mr. Pollock of the Department of Finance; he had consulted with Mr. Deutsch. Mr. Pollock informed me that in their

judgment it was not possible to say at the present time that the Agency's programme had advanced far enough to justify a further contribution. It was not clear that the funds pledged could be used within the year. Other countries not having paid up in cash their contributions pledged, it would be inappropriate for Canada to make another contribution now. He agreed, in the light of the circumstances which I explained in regard to our efforts to force skim milk on the Agency, that we could take no further action in this regard. He said that Mr. Abbott was anxious to keep the figure of the supplementary estimates down. He said that if for political reasons we felt we should go ahead with this matter, we should do so and Cabinet could decide but that they would have to brief Mr. Abbott on the facts which they had that a good financial case could not be made out.

3. Mr. Léger agreed that we could not force this matter through at the present time and that the item should not be put in the estimates.

4. We will have to get our position on record on the file. In order to do so I have drafted a letter in reply to Mr. Taylor's letter of April 7.[74] You may wish to use this in order to set the record straight. I do not know if it is sufficiently clear in itself or whether a short covering memorandum to the Under-Secretary would be needed when it goes up for signature. You will no doubt also wish to send to Finance copies of the communications which we have received from Permanent Delegation in reference to this matter so as to put them fully in the picture.

J.E. T[HIBAULT]

361. DEA/10170-C-40

Le sous-secrétaire d'État aux Affaires extérieures au sous-ministre des Finances

Under-Secretary of State for External Affairs to Deputy Minister of Finance

Ottawa, April 10, 1953

Dear Mr. Taylor,

You wrote me on February 26 last in reply to my letter of February 14 in which I requested your comments on a draft memorandum to Cabinet recommending that Canada make a further contribution of $600,000 to the United Nations Relief and Works Agency for Palestine Refugees.

We have given consideration to the suggestion in your letter that a direct contribution of, say, $400,000 worth of powdered milk might be made for the maintenance of the refugees, or alternatively that informal assurances might be obtained that a substantial part of any Canadian contribution would be used for the purchase of powdered milk in Canada. We have been informed that it is almost certain that the Agency will not be buying powdered milk in Canada during 1953. The Agency

[74] Le 26 février; voir le document précédent.
February 26; see preceding document.

has ordered 2,500 tons of powdered milk in the United States at 5¢ a pound. (This price compares with a price of approximately 11½¢ a pound in Canada.) This order is expected to meet all the needs of the Agency for the rest of 1953, and more than half of the order is already on its way to the Middle East. We are informed that even if a gift of the milk were given it could not be used until the end of 1953 and there would be questions of preserving the milk until that time and of warehousing and, in addition, that the Agency would in all likelihood be unable to meet the shipping costs. We are told, therefore, that the Agency would be reluctant to accept a Canadian contribution of powdered milk although this reluctance might decrease if there were a choice of accepting this contribution in kind or of receiving no further contribution from Canada for the rest of the present fiscal year. Even in this latter eventuality the Agency would wish to know the answer to the questions mentioned above before reaching a final decision. We are also informed that direct or indirect purchases by the Agency of Canadian products during the calendar year 1952 came to $7,554,000. Of this sum, $400,000 was for dried milk. In addition, the Agency has ordered in the first two months of 1953 Canadian flour at a cost of approximately $1,083,000. In the light of all these facts, we do not consider that it would be practicable either to make a direct contribution of dried milk or to press for assurances that a contribution given would be used for the purchase of powdered milk.

In your letter of February 26 you also referred to the obstacles still to be overcome if the programme is to be successful and mentioned your Minister's belief that it would be difficult to justify a further cash contribution unless there is convincing evidence that acceleration of the reintegration programme provides a sound outlet for effective use of the additional funds. There has been one important development since our exchange of correspondence in that the conclusion of an agreement between Jordan and the Agency has now been announced relating to the Yarmuk project with an estimated expenditure of at least $40 million.

We have considered that the Cabinet's condition as to the possibility of success of the programme should not be so strictly construed as to require that a contribution be withheld until the programme had developed to a stage where effective use of the funds was completely assured. The Agency is anxious, as is understandable, to have necessary funds available, so that agreements may be negotiated in confidence of the ability to carry them out, and so that work may proceed as soon as negotiations with governments concerned in projects for resettlement have been completed. We have also been concerned that a situation might arise during the current year in which it would be clear that the conditions laid down by Cabinet had been fully met, that a further Canadian contribution would be clearly justified, but that for lack of budgetary provision it would not be possible to implement the Cabinet's decision that a further contribution should be made. This would be particularly unfortunate in that Canada will be in the position of having contributed in one only of three years during which other countries have supported its programme.

We are informed that in the immediate future there is not an urgent need of funds for the reintegration programme. A number of countries which have pledged contributions to the Agency have not paid these in, from which it would appear that those countries also are not convinced that there is an urgent need for funds at this

time. On the other hand, the Agency does contend that a sudden demand for funds for reintegration projects may develop and that funds for reconstruction being earmarked and because of other limiting factors, there is at this stage a need for funds for relief supplies.

I do, however, agree that notwithstanding the considerations set out above, it is difficult at the present time to justify a contribution. Upon careful consideration of all the factors I think we have no choice but to agree that we must await further progress before a vote can be justified to Parliament and that no action be taken at the present time. If before the end of the present financial year we do have evidence that the reintegration programme has so far proceeded that funds pledged by other countries for the current year will be fully required, we will have to give further consideration to the matter. It may perhaps at that time be possible to get authority for a firm pledge for an additional contribution to be paid over at the end of the present financial year. If, however, no contribution at all can be made within the present financial year and if the Government should accept to make one in the succeeding financial year, it would be clearly appropriate in determining the amount of contribution to take into account at that time not only the Agency's requirements and the contributions of other countries for that year but the proportion between Canadian contributions and those of other countries during all of the years since the Agency was established.

I have set out in some detail the considerations which we have had in mind in relation to this matter as it is with some misgiving that we have agreed that no further action should be taken just now, and if there should be an unexpectedly rapid progress in the development of the Agency's programme, we would wish to discuss with you once again the action which it is best to take.

Yours sincerely,

C.S.A. RITCHIE
for Under-Secretary of State
for External Affairs

362. DEA/10170-C-40

Le représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations
to Secretary of State for External Affairs

DESPATCH 664 New York, July 21, 1953

CONFIDENTIAL

UNRWAPR

Reference: Our teletype No. 86 of February 11† and previous communications.

The Secretariat has been giving some thought recently to the present and future activities of UNRWAPR, to the report which the Agency will have to make to the

Mr. Crépault[75] was asked yesterday to join Mr. Cordier,[76] Mr. Carver,[77] the Acting Director of UNRWAPR, and Miss Flynn[78] at lunch to discuss informally some aspects of these problems.

Activities of UNRWAPR

2. Mr. Carver, who is returning to Beirut today, was clearly careful not to sound either over-optimistic or pessimistic in reporting on the present rate of re-integration of the refugees in the Arab countries. From his remarks, however, we gathered that the situation at the moment was more or less at a standstill, with efforts still being made by the Agency to bring the Arab governments mainly concerned to participate actively in the planning and the implementation, within the overall "master" agreements already signed with the Agency, of specific major projects of resettlement. Some small groups of refugees have apparently been successful from time to time in merging themselves with the local population and thus in voting themselves out of the Agency's jurisdiction; this movement, however, exists only on a very small scale, and the high birthrate among the refugees eliminates any decrease in the number of refugees which such a movement and other minor resettlement schemes could bring. The number of refugees, for all practical purposes, still comes up therefore to about 850,000.

3. Some of Mr. Carver's personal comments appeared to us to suggest that unless some radical steps were taken by the Assembly, the present situation could go on for years, with some of the Arab governments continuing their present wait-and-see policy, and exploiting the refugee problem for securing more economic assistance, and as propaganda ammunition in their quarrel with Israel. Mr. Carver clearly hinted that the radical step which he had in mind was a decision by the General Assembly providing for a gradual turn-over of all the Agency's present administrative responsibilities to the Arab governments, and say by the end of 1955, or sometime in 1956, for the dissolution of the Agency. Some gradually decreasing financial responsibilities might have to remain with the United Nations for perhaps a longer period; but the problem would nonetheless be placed squarely on the lap of the Arab governments, which would then literally have to snap out of their present lethargy and apparent indifference. Mr. Cordier intervened at this point to say that while this might prove the ideal solution, it could be expected of course to meet the stiffest opposition from Arab representatives. Mr. Cordier did not, however, question the merits of the idea. We gathered from Mr. Carver that it is not impossible that he might refer to this solution in his personal report as Acting Director of the Agency to the Eighth Session of the Assembly. He indicated that he felt in a good position to do so since the Agency had now been successful in training a good

---

[75] A.R. Crépault, conseiller, délégation permanente auprès des Nations Unies; conseiller, délégation à la septième session et à la huitième session de l'Assemblée générale des Nations Unies.
A.R. Crépault, Adviser, Permanent Delegation to United Nations; Adviser, Delegations to Seventh and Eighth Sessions of General Assembly of United Nations.

[76] Andrew Cordier, assistant exécutif du secrétaire général des Nations Unies.
Andrew Cordier, Executive Assistant to Secretary-General of United Nations.

[77] Leslie J. Carver.

[78] Molly Flynn, agent de liaison, Office de secours et de travaux des Nations Unies.
Molly Flynn, Liaison Officer, United Nations Relief and Works Agency.

number of Arabs for several important administrative posts within the Agency. While more on this particular question will undoubtedly be heard in due time from the Agency, it seems to us that there is much to be said for looking seriously into the possibilities of such a proposal. Any views or comments which you may have on this point would be very much appreciated.

Advisory Commission of UNRWAPR

4. Both Mr. Carver and Mr. Cordier said that they were a little concerned with the present role of the Advisory Commission. As you know, in the original General Assembly resolution it was specifically provided that the members of the Commission would be the United Kingdom, United States, France and Turkey, with the Commission empowered to choose three other members. Subsequently, Syria, Jordan and Egypt were added. It appears that the Arab governments are now proposing to bring in Lebanon, which has expressed a strong desire to serve on the Commission. If such an attempt is successful, through an appropriate amendment to the original resolution, this would place the Commission to a great extent at the mercy of the Arab governments. It was obviously not the role which had been envisaged for the Commission. Furthermore, a new inspiring force is apparently needed within the Commission, a neutral member who could bring to the Commission's task initiative and objectivity. It has been thought that Canada would be a most suitable choice.

5. While this suggestion might be worthwhile, there are, however, a number of difficulties in the implementation of this proposal:

(a) Canadian membership on the Advisory Commission would probably mean higher Canadian contributions to the Agency, a commitment which the Canadian Government might not be prepared to accept.

(b) membership on the Commission does not warrant an appointee for that specific purpose; the Commission indeed meets, on average, only once a month, and the amount of work which the members of the Commission have to put in greatly varies from time to time. The United Kingdom, United States and France have actually selected their representatives on the Commission from their diplomatic representatives in the Middle East. The only Middle East diplomatic representative which Canada has is in Ankara, although it might be found that our Trade Commissioner in Cairo would be suitable for such an assignment.

All these various considerations were brought up in the course of the discussion. We have, nevertheless, agreed to bring this suggestion on the part of the Agency to your attention. We should add that Cordier and Mr. Carver emphasized that the possibility of Canadian membership on the Advisory Commission had so far been considered very informally and tentatively, and that nothing would of course be done in this connection until the preliminary reaction of the Canadian Government was known.

New Director of UNRWAPR

6. Mr. Cordier indicated that he doubted whether a new Director could be appointed before the opening of the Eighth Session of the General Assembly. As indicated in our letter No. 545 of June 12, 1953,† a number of delegations have been

considering it desirable to have Mr. Blandford's successor selected before the opening of the Eighth Session. In my talk with Mr. Hammarskjold yesterday afternoon, I therefore took occasion to raise this matter again. The Secretary-General did not say, as Mr. Cordier had hinted a few hours before, that it could not be possible to have a new Director before the next session of the Assembly. He said, however, that he had asked Washington to suggest names for the position. Washington had suggested three persons, each of whom Mr. Hammarskjold had turned down. The Secretary-General did not give the names of the United States nominees. He mentioned, however, strictly for our confidential information, that he himself had approached Mr. Chester Bowles[79] and had offered him the job, although he knew that the present Administration probably would not welcome the appointment. Mr. Bowles in any case turned down the offer. Mr. Hammarskjold is now expecting the United States Government to suggest other names. The Secretary-General is obviously very conscious, as we and the senior officials of the Agency are, of the need for a new Director.

DAVID M. JOHNSON

363. DEA/10170-C-40

Le sous-secrétaire d'État par intérim aux Affaires extérieures
à la délégation permanente auprès des Nations Unies

Acting Under-Secretary of State for External Affairs
to Permanent Delegation to the United Nations

LETTER NO. V-629 Ottawa, September 17, 1953

CONFIDENTIAL

UNRWA

Reference: Your Despatch No. 664, July 21, 1953.

Our comments on the three questions which are discussed in your despatch under reference follow:

2. On the question of the appointment of a new Director, it seems to us that in recent months, when master agreements for re-integration projects had to be supplemented by project agreements and the latter needed to be translated into practical action, it was essential that UNRWA should have in charge of its work a man of outstanding diplomatic ability and vigorous personality. The Acting Director has qualities of devotion and sympathy which fit him admirably for the post of Assistant to the Director of UNRWA to which he was appointed, but we gather from your despatch that the Secretariat agrees with our view that he should not have been expected to carry, at so crucial a time, the responsibilities of the Director in addition to his own. If the work of the Agency has lost momentum during the period since it began to be known that Mr. Blandford intended to resign and no one

[79] Ambassadeur des États-Unis en Inde jusqu'en mars.
Ambassador of United States to India until March.

was nominated to take his place, it is at least arguable that the "lethargy" and "indifference" of Arab governments may not be the sole reasons why operations have lagged. We are glad to learn that the Secretary-General is now searching actively for a successor to Mr. Blandford and that he has refused to be satisfied with less than the best man available.

3. With regard to the attitude of the Arab countries, we may sometimes have been in danger of losing sight of one of the fundamental features of the operation the Agency has been asked to carry out. The United Nations has been paying through UNRWA the cost of keeping the Arab refugees out of Israel while Jewish communities of the Western world, and particularly the Jews of the United States, have been bearing the cost of replacing the former Arab population with Jewish immigrants from abroad. It has taken five years to bring the total number of new Jewish immigrants in Israel up to something like the number of Arab refugees who fled from the country in 1948. For the moment the economic absorptive capacity of the country has been overtaxed and the rate of Jewish emigration from Israel is now twice as great as the rate of immigration.

4. One of the serious disabilities under which the Relief and Works Agency has been operating has been the attitude of Israel toward the work of the Palestine Conciliation Commission. Although UNRWA keeps itself aloof from the PCC its work has been constantly affected by the refusal of Israel to entertain suggestions made by the PCC looking toward a settlement based on mutual accommodation. The progress made by UNRWA would undoubtedly have been greater, for example, if Israel had shown some disposition to compensate those refugees who have already decided not to return to their former homes, or to provide for "the repatriation of a specified number of Arab refugees in categories which can be integrated into the economy of the state of Israel and who wish to return and live at peace with their neighbours" as recommended by the General Assembly and the Commission.

5. We have been dealing in the past with three intransigent parties — Israel, the stateless refugees and the Arab governments, whom the refugees regard as having to a certain extent betrayed their interests. Jordan and Egypt have come forward in the past year with agreements to co-operate; Syria is apparently willing to join them when it becomes politically possible to do so. Israel has now seen the importance of releasing at least the bank deposits of refugees. But much more will be required of all the parties before the programme acquires the necessary momentum. We are not certain whether the Assembly should be asked at this stage to place the problem "squarely in the lap of the Arab governments" when the operation UNRWA is conducting is very much to the advantage of Israel and of the stateless refugees as well, and depends on the co-operation in different spheres of all three parties. We are wondering whether the Arab states can be expected to direct successfully without United Nations aid an operation whose ultimate success the United Nations itself has not promoted with the vigour that might have been applied had the Secretary-General been able to find by March 1, 1953 a Director of the calibre required. We should be more inclined to support a suggestion that the strong Director Mr. Hammarskjold is seeking should be given an opportunity first to see what can be accomplished by positive means to accelerate the United Nations programme. It seems to us not at all impossible that the date when UNRWA's operations can be turned

over to the Arab governments without danger of collapse might come somewhat sooner if the negative form of persuasion suggested by the Acting Director were not applied at this particular moment.

6. We do not know enough about the work of the Arab members of the Advisory Council to comment on the proposal that a Lebanese member should be added. In theory, and particularly if the work of the Agency can be turned over fairly soon to the Arab states, it would seem only logical that each of the Arab states directly concerned should be represented on the Council. We appreciate, however, that in practice it might be useful to balance the appointment of a fourth Arab member by a fourth representative of a contributing state. At the present moment we are not in a position to say whether a Canadian candidate would be available or not. You may wish to consult the Minister on this point before communicating with the Agency. It might be much easier for a country which has direct representation in Beirut or Damascus to supply someone for part-time work on the UNRWA Advisory Council. Would it not be possible for the new Director to look over the field of diplomatic representatives in the area, pick the man best suited to the position, and suggest to the Secretary-General that his government be invited to make an appointment?

C.S.A. RITCHIE

364. DEA/10170-C-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 333 New York, October 28, 1953

CONFIDENTIAL. IMPORTANT.

UNRWAPR

Reference: Your letter No. V-629 of September 17.

The observations contained in your communication under reference have proved useful in our subsequent informal discussions with officials of the Secretariat and of other delegations.

2. We have now been approached, however, again this time by both the Secretariat and the United States mission about the possibility of Canadian membership on the Advisory Council. Lebanon, which at one time had appeared to have given up its desire to join the Council, has now made it known, probably at the urging of the other Arab states, of its intention to join the Council. This Lebanese decision reopens of course the question of Canadian membership on the same Council. Since the Palestine item is next on the Ad Hoc Committee agenda, an early directive from you on this point would thus seem to be needed.

3. There would seem to be a number of advantages which we could derive by belonging to the Council. The absence of any Canadian representative in the Middle East proper has often prevented us from playing, on matters concerning this region, as effective a role as we would have wished. It is this situation which will in fact probably lead us, in the not too distant future, to open up a diplomatic mission in the Middle East. A Canadian representative on UNRWAPR Advisory Council, in our view, would provide us with an immediate flow of pertinent data on Middle East problems and could usefully pave the way to the opening of a permanent Canadian diplomatic mission in that part of the world.

4. Our financial contributions to UNRWAPR up to now compare favourably on a pro rata basis with those of all the other governments represented on the Council. On the other hand, while membership on the Council does not necessarily imply any commitment for increased contributions to UNRWAPR, our participation in the Commission should perhaps be considered in the light of our intentions as to continued financial support of the agency.

5. Although the Advisory Council has in the past met on an average of once a month, we have been given to understand by Mr. Carver of the Agency that it could meet only once every two months without impairing its effectiveness. Such a timetable would facilitate the attendance of a Canadian representative posted either in Ankara or Athens. We should add at the same time, however, that it has been the practice so far of governments members of the Council to pay the transportation expenses of their representatives to the place of meeting which incidentally, as you know, is usually Beirut. It should also be remembered that representation on the Commission is relatively senior.

6. We have now just learned that the United Kingdom delegation which has been approached on this matter has let it be known that it will welcome our membership.

7. In view of the forthcoming consideration of the Palestine item as mentioned above, your early comments on the question of our membership as well as on the considerations outlined above would be very much appreciated.

365. DEA/10170-C-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 165 Ottawa, October 31, 1953

CONFIDENTIAL

UNRWA

Reference: Your telegram No. 333, October 28, 1953.

As indicated in our letter No. V-629 of September 17, we think there is something to be said for the addition of Lebanon to the UNRWA Advisory Commission,

and we concur in the suggestion that to avoid possible deadlock in the voting in an eight-member Commission made up of four Arab and four non-Arab states an additional non-Arab state should also be appointed if the size of the Commission is to be increased at all.

2. Would you please express to the Secretariat, the United States Mission, and the United Kingdom Delegation, our regret that Canada is not at present in a position to accept membership on the UNRWA Advisory Commission? This does not mean in any sense that we are not interested in the success of the Agency's effort — our interest has been proved by our willingness to serve on the Negotiating Committee as well as in other ways — but we consider that the work of the Advisory Committee can be carried on most effectively by persons resident in Arab countries who have watched the development of the refugee problem and of international efforts to remedy it, and who are able in connection with their own daily work to see the results of the policies adopted by UNRWA. At best, it will be some little time yet before Canada's first Mission in the Arab world can be opened, and the need of the Agency will be for an immediate appointment if the membership of the Commission is to be increased from seven to nine.

3. As we have already intimated, in letter No. V-629 of September 17, our own view is that the main emphasis should be placed on the suitability of the individual appointed to the Commission rather than on the country selected for membership. It should be possible for those acquainted with the Heads of Mission actually residing in Beirut, Damascus and Amman to suggest the names of those who are best qualified, by reason of their experience in dealing with Arab governments and their knowledge of Arab political and economic affairs, to make a useful, practical contribution to the work of the Commission. If several names are put forward we should prefer, other things being equal, that the choice should fall on a representative of a NATO country — e.g., Belgium or Denmark — or of some neutral country, such as Sweden or even Switzerland.

366. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

[Ottawa], November 16, 1953

. . .

6. *Palestine Refugees*

United Nations Division: On November 12 last, the *Ad Hoc* Political Committee approved by 46 votes (including Canada) to none and 5 abstentions (Soviet bloc) a draft resolution extending the mandate of the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) until June 30, 1955. Under the Blandford plan approved by the General Assembly in 1950, the Agency's activities should terminate on June 30, 1954 by which time it had been hoped that all refugees would have returned to their homes or would have been re-settled in the Arab countries where they took refuge i.e. Jordan, Syria, Lebanon, Iraq and the Gaza district under Egyptian control. Since the number of refugees still unsettled is about the same as it was when UNRWA was set up i.e. 872,000, it is clear that the Agency's activities will have to be extended. The extension of the Agency's mandate until June 30 of next year is regarded as an interim measure and the Committee's resolution recommends that this question be reviewed at the next session of the Assembly. The resolution at the same time recommends that the relief budget of the Agency for this year should be increased from (U.S.) $18 million to $24.8 million and that a 1954-55 relief budget for which there is no provision in the Blandford plan should be authorized in the provisional amount of $18 million. When approving these figures the Canadian Delegation underlined that the Canadian Government was not in a position to commit itself at this time as to what contribution it may be able to make this year to UNRWA but indicated that the Agency's appeal for funds would receive sympathetic consideration. The draft resolution approved by the *Ad Hoc* Committee provides for the appointment of two additional members on the UNRWA Advisory Commission which is now composed of 7 countries — the United Kingdom, the United States, France, Turkey, Jordan, Syria and Egypt.

. . .

367. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

[Ottawa], November 30, 1953

. . .

9. *Palestine Refugees*

United Nations Division: On November 27, the General Assembly endorsed the recommendation of the *Ad Hoc* Political Committee to extend the mandate of the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) until June 30, 1955, and to authorize a relief budget of $24,800,000 for the 1953-54 financial year. Under the Blandford plan approved by the General Assembly in 1950, the Agency's activities should have terminated on June 30, 1954. The vote on the Assembly resolution was 52 in favour (including Canada) none against and 5 abstentions (Soviet bloc). A second resolution authorizing the UNRWA Advisory Commission to increase its present membership of 7 by not more than 2 members was adopted by a vote of 51 in favour (including Canada) none against and 6 abstentions (Soviet bloc and Israel). At present the Advisory Commission is composed of representatives from the United Kingdom, the United States, France, Turkey, Jordan, Syria and Egypt. Lebanon has expressed the wish to be appointed to the Commission. The nomination of Lebanon would raise the membership of Arab states to 4 as against 4 non-Arab members. The appointment of a suitable 9th member is now under consideration. Pakistan has already indicated that it would welcome membership on the Commission.

. . .

6e PARTIE/PART 6

FONDS INTERNATIONAL DES NATIONS UNIES POUR LE SECOURS DE L'ENFANCE
UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY FUND

368. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], February 12, 1953

. . .

UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY FUND;
CONTRIBUTION FOR 1953

29. *The Secretary of State for External Affairs* reported that Canadian contributions to the United Nations International Children's Emergency Fund had been $500,000 in each of the years 1951 and 1952. The target of the fund for 1953 was higher than in 1952 but Canadian contributions had, on the whole, been adequate and it was recommended that the same contribution be made as in the last two years. The question of continuation of the Fund would come before the General Assembly of the United Nations at the end of 1953. A Canadian contribution would not in any way commit the Canadian government as to its attitude at that time.

An explanatory memorandum had been circulated.

(Minister's memorandum, Jan. 30, 1953 — Cab. Doc. 32-53)†

30. *The Cabinet* approved the recommendation of the Secretary of State for External Affairs and agreed:

(a) that authorization be given for a contribution to the United Nations Children's Emergency Fund for the fiscal year 1953-54 of $500,000; the necessary provision to be made in the Estimates;

(b) that authorization be given to inform the United Nations Negotiating Committee for Extra-Budgetary Funds of the intended contribution, subject to Parliamentary approval, it being made clear that Canada was not committed to support the continuation of UNICEF as a separate "permanent agency"; and,

(c) that the Executive Director of UNICEF be asked to continue to purchase Canadian commodities appropriate to the agency's programme.

. . .

369. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CONFIDENTIAL [Ottawa, n.d.]

FUTURE OF THE UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY FUND

The General Assembly of the United Nations will be called upon to consider during its eighth session the question of the continuation of the United Nations International Children's Emergency Fund (UNICEF). The Fund which was created in 1946 for the primary purpose of bringing relief to children of war-devastated countries was authorized in 1950 to undertake for a period of three years ending December 31, 1953, long-range welfare projects for needy children in under-developed countries.

2. The Fund has worked on the principle that the aid which it gives to under-developed countries must be matched by equivalent contributions on their part in goods and services. It is generally recognized that the Fund is efficiently administered and that it performs work of lasting value. More than 60,000,000 children in 84 countries have received help from UNICEF which has proved one of the most popular and highly praised undertakings of the United Nations. There is no doubt that the Fund has made a substantial contribution towards enhancing the prestige of the United Nations.

3. The Canadian Government has contributed $8,375,000 to UNICEF since its establishment out of total governmental contributions amounting to $136,645,000. The Canadian Government's contribution to the Fund's relief programme in the years 1947-1950 was $6,275,000 while its contributions to the long range pro-

gramme carried out in recent years amounted to $600,000 in 1950 and $500,000 for each of the last three years. The Fund has also proved popular among the Canadian public which has contributed approximately $1,500,000. It should be noted that all contributions from the Canadian Government were spent in Canada and that the Fund has in addition expended in Canada approximately $4,300,000 over and above these contributions.

4. When the Canadian Government's contribution to the Fund for 1952 was considered by Cabinet in May last year, some Ministers expressed the view that UNICEF functions might be transferred to Specialized Agencies of the United Nations e.g. the World Health Organization (WHO) and the Food and Agricultural Organization (FAO) which are engaged in related welfare activities. I expressed a view in favour of this solution but pointed out that it would be opposed by receiving countries. The present situation is that because of the special appeal of UNICEF and its record of efficient operations as a separate entity dealing with the welfare of children, this proposal would not gain general support in the Assembly. The recommendation for its continuation was unanimously adopted during the last session of ECOSOC and from the information we have on the views of the major contributing countries as well as the receiving countries, it can be expected that the General Assembly will endorse this recommendation and that no proposal will be put forward for a transfer of functions to specialized agencies.

5. Apart from the general popularity of the Fund amongst member states of the United Nations, there are other reasons why proposals to incorporate UNICEF with other specialized agencies which have been discussed in the past are not likely to gain acceptance now. The Director-General of WHO and FAO have now indicated that there is no overlapping as between their programmes and those of UNICEF and that their organizations work in close co-operation with the Fund. Moreover, a transfer of UNICEF's tasks to Specialized Agencies would involve altering the terms of reference for these agencies to permit them to engage in supply operations which are now carried on by UNICEF but do not come within technical assistance programmes of the agencies. It is doubtful if this would in fact increase efficiency or be desirable.

6. UNICEF has been operating on a budget of approximately $20 million in recent years. The largest single contributor is the United States and if its support should be withdrawn it might be difficult to justify the continuance of the Fund, bearing in mind that present administrative overhead which is related to operations at the present level could perhaps not be reduced proportionately if past contributions and in particular that of the United States were not maintained. UNICEF recently received strong support by the United States Congress which appropriated during its last session the sum of $9,800,000 as the United States contribution to the Fund for 1953 and it is reasonable to assume that this support will be continued. The United States representative on the Economic and Social Council indicated during the Council's session referred to above the approval of his Government to the continuation of UNICEF.

7. I consider it would be appropriate for the Canadian Government to support the continuation of UNICEF when this question is examined during the next session of the General Assembly.

8. I recommend therefore that:

(1) The Canadian Delegation to the eighth session of the General Assembly be authorized to support the continuation of UNICEF on terms of reference similar to those which have governed the activities of the Fund during the last three years.

(2) The Canadian Delegation to the eighth session be authorized to vote in favour of an appeal to member states for funds for UNICEF making it clear that the amount of any Canadian contribution which may be decided upon in the coming year will be related to the support which the organization receives from other member states.

L.B. PEARSON

370. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], September 9, 1953

. . .

UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY FUND; CONTINUATION

56. *The Secretary of State for External Affairs* reported that, during the course of the Eighth Session of the United Nations General Assembly, consideration would be given to continuation of the United Nations International Children's Emergency Fund (UNICEF).

More than 60 million children in 84 countries had received help from UNICEF which had proved one of the most popular undertakings of the United Nations. He recommended that Canada should support continuation of the Fund.

An explanatory note had been circulated.

(Minister's memorandum, undated — Cab. Doc. 194-53)

57. *The Cabinet* agreed, that the Canadian delegation to the Eighth Session of the General Assembly be authorized,—

(a) to support the continuation of UNICEF on terms of reference similar to those which had governed the activities of the Fund during the last three years; and,

(b) to vote in favour of an appeal to member states for funds for UNICEF, making it clear that the amount of any Canadian contribution which may be decided upon for the coming year would be related to the support which the organization received from other member states.

. . .

371. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], December 3, 1953

. . .

UNITED NATIONS CHILDREN'S FUND;[80]
CANADIAN CONTRIBUTION, 1954

19. *The Secretary of State for External Affairs* , referring to discussion at the meeting of September 9th, 1953, said the Canadian delegation to the eighth session of the General Assembly had supported the continuation of the United Nations Children's Fund and had indicated that any contribution by the Canadian government would be related to the support given by other member states. All previous contributions had been spent in Canada for supplies distributed abroad and, in addition, approximately $4.3 million of contributions made by other governments was used for Canadian products. In order for the Fund to continue its work on the agreed scale, a higher level of support would be necessary.

He suggested therefore, that Canada offer to increase its annual contribution, which had been $500,000 for each of the previous three years, so that the increase offered by Canada would correspond to increases in other national contributions, provided that the total Canadian contribution for the year would not exceed $750,000.

An explanatory memorandum had been circulated.

(Minister's memorandum, Nov. 26, 1953 — Cab. Doc. 314-53)†

20. *In the course of discussion* it was pointed out that, although UNICEF had been one of the most valuable of the United Nations specialized agencies a possible increase of 50 per cent in the contribution to be made by Canada appeared to be unduly large.

21. *The Cabinet* approved a Canadian contribution to the United Nations Children's Fund for the fiscal year 1954-55 of $500,000; it being understood that the Fund would be encouraged to continue its favourable record of purchases in Canada.

. . .

---

[80] L'Assemblée générale des Nations Unies donna à l'Organisme un nouveau nom, le 6 octobre 1953 : Fonds des Nations Unies pour l'enfance; on garda l'ancien acronyme UNICEF.
The name of the organization was changed by the General Assembly of the United Nations to United Nations Children's Fund on October 6, 1953; the acronym UNICEF was retained.

7^e^ PARTIE/PART 7

PROGRAMME ÉLARGI D'ASSISTANCE TECHNIQUE
EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE

372. DEA/5475-DU-1-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Representative to the United Nations

TELEGRAM 97 Ottawa, February 24, 1953

CONFIDENTIAL. IMPORTANT.

1953 CANADIAN CONTRIBUTION TO THE EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE

Reference: Your despatch No. 177† of February 11 and your telegram No. 104† of February 13.

We have discussed with Finance the relationship to be maintained between the 1953 Canadian contribution to the Expanded Programme of Technical Assistance and the pledges announced by other member states in the Negotiating Committee and at the forthcoming Technical Assistance Conference.

2. It is agreed that Canada should co-operate fully (within the limits of the Cabinet authority)[81] in reaching the target set for the Conference. At the same time we are convinced that everything possible should be done to encourage wider and more equitable participation from other member states. In particular we would wish to ensure that the Canadian pledge is not disproportionate to those of the United States and other member states, with which it is usual to draw comparisons.

3. Although we recognize that your exact course will be largely determined by developments in New York, we are wondering whether an approach along the following lines would serve to indicate continuing Canadian enthusiasm and support for the Technical Assistance Programme while enabling the delegation to offer maximum encouragement to wider financial support through the "matching" formula.

4. Since you have not made an advance announcement in the Negotiating Committee, you might make an early statement at the Technical Assistance Conference indicating the general terms of the Cabinet authorization. This announcement might be accompanied by a brief statement in familiar terms, referring to past Canadian contributions to the Programme, reaffirming our continuing support, and underlining the desirability of wider financial participation which has led the Government to relate the Canadian pledge directly to that of others. In this way you would

---

[81] Les conclusions du Cabinet 13 novembre, 1952; voir volume 18, document 348.
Cabinet Conclusions, November 13, 1952; see Volume 18, Document 348.

make our position clear while leaving the way open for the announcement of a specific Canadian contribution when there is more information on the probable response of others.

5. If present forecasts are accurate and early pledges fall considerably short of the target, you might then wish to consult with other member states on an appropriate method for encouraging further support and deciding on the exact size of our final pledge.

6. You will recall that in similar circumstances at Paris last year the Canadian delegation held informal consultations with the delegations of the United States, Australia and Switzerland (which had also announced "matching" contributions) and agreed to announce a minimum pledge. Although the basis for this "minimum" should not be announced publicly, we have no objection to a contribution based on that of the United States. As you know, the ratio of the Canadian national income to that of the United States is roughly one to sixteen. Accordingly, if the United States is prepared to pledge $12.2 million, a firm minimum pledge of $750,000 would seem appropriate.

7. In announcing this minimum pledge you might express regret that it has not been possible to take up the full amount of the Canadian offer. You might also express hope that those member states which have not received instructions from their governments will be in a position to make pledges before the end of the Conference and indicate that the Canadian contribution will be subject to upward adjustment in the light of any further response that might be forthcoming before the final Act is closed. For the purposes of these adjustments we have no objection to the scale suggested in your Despatch No. 136 of January 26.[82]

[82] Le télégramme proposait une contribution minimale de 750 000 $, quelles que fussent les autres contributions. Si les engagements atteignaient les 20 millions de dollars, la contribution canadienne serait augmentée de 50 000 $, et d'une somme supplémentaire de 10 000 $ pour chaque million de dollars qui s'ajouterait aux 20 millions.
The telegram proposed a minimum Canadian contribution of $750,000 regardless of other contributions. This would increase by $50,000 if total pledges reached $20 million, and by a further $10,000 for every $1 million contributed above $20 million.

373. DEA/5475-DU-1-40

Le secrétaire d'État aux Affaires extérieures
à la délégation permanente auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Delegation to the United Nations

TELEGRAM 104 Ottawa, February 26, 1953

CONFIDENTIAL

UN EXPANDED TECHNICAL ASSISTANCE PROGRAMME

Following for Crépault from A.E. Ritchie, Begins: This message will confirm our telephone conversation this morning indicating that we are prepared to pledge the equivalent of $750,000.00 (US) if total pledges amount to $20 million. If the total is less than that figure we would have to reconsider the size of our contribution. If the total is more than $20 million, or if the US contribution is exceptionally large (say more than $12.2 million), we would be willing to consider an increase in our contribution. Our maximum contribution would not, of course, in any event exceed $850,000.00. Ends.

374. DEA/5475-DU-1-40

Extrait d'une dépêche du représentant permanent auprès des Nations Unies
au secrétaire d'État aux Affaires extérieures

Extract from Despatch from Permanent Representative to the United Nations
to Secretary of State for External Affairs

DESPATCH 4 New York, February 28, 1953

THIRD UN TECHNICAL ASSISTANCE CONFERENCE

Reference: Our teletype No. 18 of February 27.†

Attached is the text of the statement which I made at the Technical Assistance Conference in connection with the Canadian contribution.† You will note that, as agreed between Mr. Ritchie and Mr. Crépault, I pledged the minimum figure of $750,000 provided the total contribution reached $20 million, and the maximum figure of $850,000 if the target of $25 million for this year were reached. We have abstained from indicating any rigid matching scale as between the minimum and maximum figures, so as to retain complete discretion for an increase of the Canadian contribution if the total amount pledged represents an encouraging result.

2. As we have indicated in our teletype under reference, although still unofficial and subject to revision, the total amount of contributions pledged has been estimated at about $21 million. The contribution from Egypt and from Peru, who had not received instructions for the conference, might also be forthcoming. We will prefer to have a more precise figure for the total contributions pledged before expressing our views on the desirability of an increase in the Canadian contribution.

We might perhaps say however at this stage that if the results of this year's conference really constitute, as it appears it will, an increase of over $2 million on last year's performance, we would be inclined to recommend an increase of the Canadian contribution.

. . .

DAVID M. JOHNSON

375. DEA/5475-DU-1-40

La délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Delegation to the General Assembly of the United Nations to Secretary of State for External Affairs

DESPATCH 8 New York, March 13, 1953

RESTRICTED

TECHNICAL ASSISTANCE CONFERENCE — CANADIAN CONTRIBUTION TO T[ECHNICAL] A[SSISTANCE]

Reference: Our despatch No. 4 of February 28 and previous communications.

As indicated in our communication under reference, we did not wish to make a final recommendation concerning an increase in the Canadian contribution until we had more definite figures about the total contributions pledged. The officials of the Technical Assistance Board have now confirmed that with the latest contribution from Egypt of $84,000 and the corresponding increase of the United States and Belgian contributions as a result of their matching formula, the total amount pledged comes up to $21,050,000. On the basis of this total, the United States contribution comes up to $12,630,000. As it has already been pointed out by a United Nations press release, although this total is some $4 million short of the target it nonetheless constitutes an increase of more than $2 million over last year's performance. In these circumstances, and bearing in mind the desirability of keeping the Canadian contribution at a level of 1/16 of the United States contribution, we should like to recommend that the Canadian contribution to Technical Assistance for the year 1953 be increased to $800,000.

2. Although the deadline for calculating contributions for the purpose of the matching formula is April 1, it seems to us highly desirable that action on this be taken now since any increase which you might agree upon before April 1 may bring about another increase on the part of the United States Government.

3. Copies of the summary records of the Technical Assistance Conference are attached for your information, together with a copy of the press release TA/279, issued on the occasion of the Conference.†

DAVID M. JOHNSON

376. DEA/5475-DU-1-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Representative to the United Nations

TELEGRAM 138 Ottawa, March 25, 1953

CANADIAN CONTRIBUTION TO THE EXPANDED PROGRAMME
FOR TECHNICAL ASSISTANCE

Reference: Your despatch No. 8 of March 13, 1953.

In view of the considerations mentioned in your despatch under reference, you may make an immediate announcement of an increase in the Canadian pledge for 1953 to $800,000 US.

377. DEA/5475-DU-1-40

Extrait d'un télégramme du secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Extract from Telegram from Secretary of State for External Affairs
to Permanent Representative to the General Assembly of the United Nations

TELEGRAM 141 Ottawa, March 26, 1953

RESTRICTED

CANADIAN CONTRIBUTION TO THE EXPANDED PROGRAMME
FOR TECHNICAL ASSISTANCE

Reference: Our teletype No. 138 of March 25.

In asking you to raise the Canadian pledge to $800,000 US, I should have made clear that this is not necessarily our final offer. If, when the deadline approaches for pledges for the purposes of matching formula calculations, it appears that the total contributions will be such that we could appropriately reconsider our offer with a view to increasing it significantly, within the $850,000 limit, I should hope that you could let us know the total in time to permit discussions here.

. . .

378. DEA/5475-DU-1-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations to Secretary of State for External Affairs

TELEGRAM 156 New York, March 31, 1953

RESTRICTED. IMMEDIATE.

CANADIAN CONTRIBUTION TO THE EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE

Reference: Your teletypes No. 138 of March 25, 1953, and No. 141 of March 26. Repeat Washington No. 96.

The news of the increase in the Canadian contribution to $800,000 United States has of course been very welcome to the United Nations Secretariat. On the basis of the United States pledge, the Canadian increase adds another $75,000 to the United States contribution. By taking into account these two increases together with the latest confirmation of pledges from other governments the total amount pledged to Technical Assistance for 1953 stands as from this morning at $21,251,075 United States. As already pointed out, to-day is the last day for pledges for the purposes of matching formula calculations. The Secretariat does not expect any new development in the course of the day.

2. The above total implies a total United States contribution of about $12,705,000. On the basis of the principle that the Canadian contribution should amount roughly to 1/16 of the United States contribution it would seem that our present pledge of $800,000 is just about right. We are accordingly inclined to consider our present pledge as appropriate and satisfactory in the present circumstances. It is assumed that any other decision which you might arrive at in the course of the day will be communicated to us directly by telephone so that the appropriate officials of the Secretariat and of the United States delegation may be notified in due time.

379. DEA/5475-DU-1-40

Le directeur général de l'administration de l'Assistance technique des Nations Unies au secrétaire d'État aux Affaires extérieures

Director-General, United Nations Technical Assistance Administration to Secretary of State for External Affairs

PERSONAL [New York], June 17, 1953

My dear Mike [Pearson],

We were all delighted to hear of the new honours recently conferred on you by Harvard and Dartmouth. You must now be approaching, if you have not already reached, the Canadian record for academic degrees. Vincent Massey must be getting worried.

In addition to my congratulations on your honorary degrees may I add my hope that you personally will run into no complications in the campaign that ends on the 10th August? (As a Civil Servant of course I express no preference among the Parties!) I am sure that the voters of Algoma East will continue to recognise a good thing when they see it — and mark their ballots accordingly.

Now that I am writing to you, may I go on to add a few comments on the situation that has developed here, particularly during the last two or three weeks? It now is clear that there is going to be a good deal of difficulty in getting the Congressional approval for the payment of the remainder of the United States contribution to the Technical Assistance Programme for 1953. The amount outstanding is over $4,500,000 and, if this should not be paid, with the future implications to be drawn therefrom, the whole of the Expanded Programme may be considered to be in jeopardy. I still have enough confidence in the intelligence and goodwill of the people of this country (even those in Congress) to believe that the money will be forthcoming. But this result will not be achieved without strenuous efforts on our behalf by our friends in Washington.

The present argument makes it difficult to be confident about the continuation of American support on the present scale in 1954. Yet the fact is that we must have *larger* rather than *smaller* contributions next year if the Expanded Programme is not going to bog down at something like the $20,000,000 level. When the Programme was originally devised it was expected and hoped (Canada, as a member of the Economic and Social Council, concurring) that in *the second year* of operation sound requests and available funds would permit activity on something like a $50,000,000 basis.

Actually, the programme was much slower in getting started than had been anticipated, partly because recipient countries delayed, through ignorance or apathy or suspicion, in taking advantage of the opportunities it offered. Now, however, this hesitation has largely disappeared, even in the Arab States. The under-developed countries are making many more requests than they made in the first two years and the requests they are making are much more sensible and carefully worked out.

In 1953, we and the Specialized Agencies could make effective use of $35,000,000 if it were available. We in TAA are now discouraging or turning down about three requests for every one we are in a position to accept.

If the Expanded Programme is to have any real hope of living up to the expectations of those who were responsible for its initiation, funds running considerably beyond anything that has so far been provided will be needed in the next two or three years. For 1954 I think that we should aim at a minimum of between $30,000,000 and $40,000,000.

This brings me to Canada's part in the programme. We will have contributed about $2,400,000 to the programme by the end of 1953. Payments to Canadians or expenditures in Canada from the programme funds during the same period are estimated at $2,300,000. During approximately the same period, Canada has made available $25,400,000 *annually* under the Colombo Plan and I understand that the whole contribution has not been spent in any year.

Under these circumstances, and in view of the emphasis that you and the Prime Minister, speaking for the Canadian Government, have repeatedly placed on the importance of the United Nations programme, it does not seem to me to be unreasonable to suggest that, in the critical position now being faced by the Expanded Programme, the Canadian contribution might be substantially increased — particularly in view of the fact that most of the money obtained from Canada will be spent in that country or paid to Canadians. Even if it should be necessary to make a small reduction in the funds provided for the Colombo Plan (much as I should regret such a step), I do believe that a larger contribution to the United Nations programme would best serve the general interest at this time. Such an initiative from Canada, moreover, would have a tremendously stimulating effect on the other contributors who are naturally feeling unhappy over the controversy in Washington. It seems to me that an announcement by Canada at the Pledging Conference in October that we would provide, say $2,000,000, for 1954 would have at least the following effects:

1. It would produce a beneficial reaction among the convinced and serious contributors, particularly such countries as Holland, Sweden. Norway, France and Australia.

2. It would of course create great enthusiasm among all the recipient countries.

3. If I am any judge of Canadian opinion, it would bring a very favourable response at home. My own recent experience of writing and speaking in Canada leads me to believe that our people are ahead of the Government in this matter. There are many troubled consciences, particularly in Church, labour, farmer and intellectual groups among whom there is a growing conviction that, although military defence is essential, military defence alone is not enough. In Parliament, the CCF and Conservatives like Diefenbaker, Graydon and others would certainly support such a move by the Government.

4. It would also have the effect of showing Canadians and others in a dramatic way that Canada does not necessarily follow the lead of Washington in foreign policy. It would do this, moreover, without alienating any groups in the United States Government or public life. Indeed it would produce a very warm response in all parts of this country.

5. It might well result in the saving of the Programme by stimulating other countries to increase their contributions at a time when pessimism is almost certain to prevail in spite of the operational success of the programme.

I know that in writing to you in this way I am expressing views with which you personally are in sympathy, but I do feel very strongly about the need for the continuation and expansion of the Programme. My experiences of the last three years have convinced me that serious action in this field is essential if we are going to make any real effort to prove that the democratic and humanitarian ideals about which we talk have any real meaning for the two-thirds of the world who doubt our interest in their welfare.

What I should like very much to see and hear would be to have *you* come personally to the Conference in October and make a strong speech designed to stimulate the prospective contributors at a moment when they will be pretty discouraged because of the situation in Washington. Such a speech, like the shot fired at Lexington, would be heard round the world; and nowhere (possibly not even in Moscow or Peking) would it be received with anything but acclaim.

I know that the Secretary-General would be relieved and delighted by the prospect of such a reinforcement in his efforts to keep the Programme going, and expanding. He has seen the situation both as a member of the Swedish Government and Delegation on the one hand and as the dominant figure in the United Nations and Specialized Agencies on the other. He is convinced of the value of the Programme and proposes to do everything that he personally can to see that it is not allowed to fail.

As a Canadian, it seems to me that this is a tremendous opportunity to show again, and more clearly than ever before, that Canada really stands for something in the critical difficulties of this generation. As the most prosperous country in the world, with the most rapidly expanding economy, Canada can well afford a gesture of this kind. Its good effects may easily prove to be of profound importance.

I apologise for the length of this letter and for writing as though I were making a speech. You will have to forgive me on the excuse that, after three years of experience, I believe very deeply in the value of what, with the help and direction of the governments concerned, we are trying to do.

With warm regards and renewed good wishes for the 10th August, I am, as always,

Yours very sincerely,

HUGH

P.S. I am assuming, I think justifiably, that the Government will be returned. Don't you think that a step such as that suggested above would make a good beginning for another term of office?

H.L. K[EENLEYSIDE][83]

[83] H.L. Keenleyside, directeur-général de l'Administration technique des Nations Unies.
H.L. Keenleyside, Director-General, United Nations Technical Administration.

380. DEA/5475-DU-1-40

Le secrétaire d'État aux Affaires extérieures au directeur général de l'administration de l'Assistance technique des Nations Unies

Secretary of State for External Affairs to Director-General, United Nations Technical Assistance Administration

Ottawa, July 9, 1953

Dear Hugh [Keenleyside],

Thank you very much for your letter of June 17 suggesting, among other things, that the Canadian Government might increase its contribution to the Expanded Programme of Technical Assistance. I share your interest in this Programme and your concern that its objectives may not be realized without continuing active support from all the contributing countries.

I think it is safe to say that any Canadian Government will continue to participate in this worth-while Programme, which has caught the imagination of the Canadian people and which enjoys, I think, general support throughout the country. I personally feel that anything that Canada can do to ensure the successful carrying out of this Programme on a substantial scale would further the cause of international prosperity and good-will to which we all subscribe.

However, in this, as in other international projects, the Canadian contribution must bear some relation to the contributions of other countries and to other demands on Canadian resources. It is impossible at this date to say what the situation will be in October when the next Pledging Conference is to be held. Nevertheless, you may be sure that your views will be kept in mind when the Canadian pledge for the next financial period is being considered.

Yours sincerely,

MIKE [PEARSON]

P.S. Your expressions of congratulations and good wishes to me personally are very gratifying. The election campaign is beginning to swing into high gear — and it's going to be tough. Taxes and age are against us — nearly everything else in our favour.

381. DEA/5475-DU-1-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs
to Permanent Representative to the United Nations

TELEGRAM 549 Ottawa, September 16, 1953

CONFIDENTIAL. IMMEDIATE.

CANADIAN CONTRIBUTION FOR 1954 TO THE UNITED NATIONS
EXPANDED PROGRAMME FOR TECHNICAL ASSISTANCE

Following for the Minister from the Acting Under-Secretary:

Please find below the text of a draft memorandum to Cabinet on the above subject which has been discussed with officials of the Department of Finance.† The recommendation is that we pledge a contribution of $1.5 million (US) if total pledges reach or exceed $20 million (which is $5 million less than the target established for 1953 and approximately $1 million less than the total pledged that year.) Finance officials have pointed out that a contribution of $1.5 million on a $20 million programme would imply a considerably higher contribution from Canada relative to that of the United States than has been customary in the past. In the special circumstances, however, they are prepared to let the recommendation go forward to Mr. Abbott without serious objection. It is quite clear that Finance will oppose a $1.5 million contribution if total pledges are less than $20 million, which is now considered to be about the minimum programme which would justify the administrative overheads involved.

I shall be grateful if you will let me know as soon as possible whether a submission in the terms suggested would be agreeable to you. If I can hear from you by mid afternoon and you approve, I am hopeful that the memorandum can be placed before Cabinet at tomorrow's meeting.

382. DEA/5475-DU-1-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations to Secretary of State for External Affairs

TELEGRAM 638 New York, September 16, 1953

CONFIDENTIAL. MOST IMMEDIATE.

CANADIAN CONTRIBUTION FOR 1954 TO THE UNITED NATIONS EXPANDED PROGRAMME FOR TECHNICAL ASSISTANCE

Reference: Your telegram No. 549 of September 16.

Following for the Acting Under-Secretary from the Minister, Begins: Suggestions and memorandum on Canadian contribution to United Nations Technical Assistance Programme approved. Ends.

383. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CONFIDENTIAL Ottawa, September 17, 1953

CANADIAN CONTRIBUTION TO THE UNITED NATIONS EXPANDED PROGRAMME FOR TECHNICAL ASSISTANCE

In June 1950 Cabinet authorized a contribution of $850,000 to the United Nations Expanded Programme for Technical Assistance for the first eighteen-month period ending December 31st, 1951. For the calendar year 1952 a similar amount was authorized "the extent of the Canadian contribution to depend on the amounts pledged by other countries and on the Delegation being fully satisfied with the nature of the programme". The actual Canadian contribution for 1952 was $750,000. For the year 1953 Cabinet again authorized a contribution of up to $850,000, the precise amount to depend upon the total pledged by other countries. In fact only $800,000 was pledged because the total of contributions fell short by about $4,000,000 of the target figure of $25 million.

This year the annual Technical Assistance Conference at which the contributions of participating countries are announced is scheduled to take place at an early date during the current session of the General Assembly. The question therefore arises of the amount to be pledged by Canada for the 1954 period.

The situation with respect to the financing of the Expanded Technical Assistance Programme is considerably different from that which prevailed a year ago. Whereas in the past the limitation on the Programme was not shortage of funds, but

rather the availability of experts and training facilities and the rate at which technical assistants could be absorbed, the present position is that the financial resources of the programme have become inadequate to meet requirements, based on well-considered requests for technical assistance. It was only possible to finance the amount of technical assistance made available in the current year because of the carry-over of funds from 1952. The Executive Chairman of the Technical Assistance Board has estimated that if in 1954 pledges are not increased beyond the 1953 level, something like a 20% curtailment of planned technical assistance activities would be involved. In this connection, the Economic and Social Council at its recently concluded session passed a resolution urging Governments to continue to give the Programme their full support in order to ensure its "essential and natural development". The resolution urged Governments to contribute in order to meet to the maximum extent possible the needs for 1954, and in any case so that the funds would not be less than the amounts available for the approved 1953 Programme.

The largest contributor to the Expanded Programme has been the United States. Recently, however, Congress reduced funds pledged for the Programme in 1953 by about 4.6 million dollars, and indicated that only a conditional total of 8.5 million dollars would be made available for 1954 — a reduction of nearly $4 million from the amount pledged for 1953. This action by Congress in the face of the recognized need for technical assistance and the growing success and momentum of the Programme is particularly damaging from the United Nations point of view. If other countries were to follow suit, it would be questionable whether the continuance of the Programme would warrant the overhead expenditure involved. The United States Administration strongly supports the Technical Assistance Programme, and may be expected in due course to ask Congress for further financial support. In the meantime, however, it may not be possible for United States representatives at the Technical Assistance Conference definitely to pledge any amount beyond that now authorized by Congress, although the intention of the Administration to ask for supplementary funds for this purpose could be announced.

At a time when the United States Government may be obliged temporarily, at least, to reduce its contribution for Technical Assistance, it is significant that the Soviet Union and Poland have for the first time pledged support for the Programme. The decision of the USSR and Poland to participate underlines, from a political point of view, the need to maintain or increase the total contribution of the other developed countries of the United Nations.

The provision of technical assistance has been perhaps the most constructive and fruitful of United Nations' activities. The administration of the Technical Assistance Programme has been built up on the assumption that the Programme will expand. The Programme is being more efficiently executed and most of the administrative difficulties encountered in the earlier periods have been overcome. A serious cut-back in the Programme at this stage would undoubtedly have adverse political effects in the under-developed countries, and would almost certainly prejudice the long-run prospects for the Programme. Moreover, if confidence is lost in the ability of the United Nations to finance its technical assistance activities on a continuing basis, it will become increasingly difficult to recruit experts to proceed to

the under-developed countries, and the future of the Programme may be imperilled from the technical point of view.

I understand that at the forthcoming Technical Assistance Conference an increase of 50% from the Netherlands (from $400,000 to $600,000) will be announced by the Netherlands representative, and it may be that other countries would similarly be prepared to increase their contributions. In all the circumstances I consider that the Canadian delegation should be authorized to state as soon as possible that under certain conditions the Canadian Government would be prepared to increase its contribution for 1954. An announcement of this kind might well influence other countries to increase their financial support for the Programme, and should be of some assistance to the United States Administration in seeking Congressional approval for additional funds for United Nations technical assistance.

Recommendation

It is recommended:

(a) That, without prejudice to the level of Canadian financial support for the Expanded Technical Assistance Programme in future years, a Canadian contribution of up to $1.5 million (US) be authorized for the 1954 period.

(b) That the whole of this amount be pledged only if it appears that total pledges for 1954 will reach or exceed a total of $20 million.

(c) That if the total pledges fail to reach the above level, the Delegation be instructed to pledge an amount less than the $1.5 million maximum contribution, which would bear an appropriate relationship to the total pledge. In these circumstances, the delegation should endeavour to ensure that the administrative overhead of the Programme is adjusted to the scale of activities to be financed.

(d) That the Delegation in the discussion of these matters continue to emphasize, as in the past, the importance of achieving maximum economy in the administration of the Expanded Programme.

384. **PCO**

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], September 17, 1953

. . .

UNITED NATIONS; CANADIAN CONTRIBUTION FOR UN EXPANDED TECHNICAL ASSISTANCE PROGRAMME

15. *The Minister of National Defence, as Acting Secretary of State for External Affairs*, submitted a memorandum concerning the amount of the contribution by Canada to the United Nations expanded programme for technical assistance for 1954. Copies of the memorandum had been circulated.

(Minister's memorandum, Sept. 17, 1953 — Cab. Doc. 209-53)

16. *In the course of discussion* it was suggested that:

(a) The proposal for a contribution of up to $1.5 million (US) amounted to virtually doubling the current Canadian contribution. If the US contribution were not substantially increased over the amount Congress had authorized, the Canadian contribution would be greatly out of line with it. It would also be out of line with the amount of increase that the Netherlands government had authorized. It would be difficult to justify a contribution of that magnitude if other countries, particularly the United States, did not increase their amounts.

(b) Authorization to the Canadian delegation to go as high as $1.5 million, if necessary, was important to enable them to encourage other countries to make substantial increases. One of the purposes was to try to get the US contribution up.

(c) The Technical Assistance Programme was practical and desirable in its objectives. Substantial increases in its level of operations might reduce the pressure to implement the fund for economic development.

17. *The Cabinet* agreed:

(a) that the Secretary of State for External Affairs be advised that the government did not wish to see the Canadian contribution for 1954 to the United Nations Technical Assistance Programme emerge, in the end, at a figure that would be substantially out of line with the US contribution, but that it was left to his discretion to act as he thought best in an effort to get the US contribution and the general level of contributions to the programme increased, on the understanding that the upper limit of the Canadian contribution for the 1954 period was $1.5 million (US) and that a smaller figure would be preferable if it proved possible;

(b) that, in any event, the whole amount of $1.5 million be pledged only if it appeared that total pledges for 1954 would reach or exceed a total of $20 million; and,

(c) that the delegation continue to emphasize the importance of achieving maximum economy in the administration of the expanded programme.

. . .

385. DEA/5475-DU-1-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 116 New York, October 1, 1953

CONFIDENTIAL. IMPORTANT.

CANADIAN CONTRIBUTION TO EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE

Reference: Our telegram No. 105 of September 30.†

There is now considerable preliminary discussion and speculation going on regarding pledges to the 1954 expanded Technical Assistance Programme. The

United States delegation, beyond stating that the 1953 pledge will be met, has made no statement, even in general terms regarding possible United States pledges towards the 1954 programme. In answer to private enquiries, we have indicated that, subject to parliamentary approval and evidence of widespread and generous support, Canada hopes to increase its contribution substantially in 1954. In view of the reservations mentioned in your telegram No. 14 of September 18.†[84] and in the absence of the Minister, we are in some doubt as to what use can be made of the $1.5 million maximum figure in any statement we may make to the committee. There are obvious advantages in mentioning the figure but as the United States contribution may not be known until the pledging conference, any mention of a specific figure might create difficulties.

2. Word has now reached us that the Secretariat, which has apparently prepared some tentative estimates of 1954 pledges, has mentioned a figure of $2 million for Canada. It would be unfortunate if such a rumour were to become current. If you consider that no public mention should be made of a specific figure, we should be glad to know whether, in the circumstances, you would think it advisable for us to mention confidentially, at least to the Secretariat, the maximum sum which the Canadian contribution may be expected to reach in the most favourable circumstances.

386. DEA/5475-DU-1-40

Le secrétaire d'État aux Affaires extérieures
à la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Delegation to the General Assembly of the United Nations

TELEGRAM 53 Ottawa, October 3, 1953

CONFIDENTIAL

CONTRIBUTION TO EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE

Reference: Your telegram 116, October 1.

At the present juncture and in the light of the uncertainty about the United States position, we think it undesirable for you to go beyond indicating that Canada would be prepared, subject to Parliamentary approval, to increase its contribution substantially provided other countries are prepared to do their part, and the aggregate of contributions would represent a worthwhile programme. On the basis of the above and without mentioning a specific figure, it seems to us that a good deal could be done to encourage other countries, including the United States, to make an appropriate contribution.

The Secretariat should be informed that while in the circumstances outlined above, we would be prepared to increase our contribution, the exact amount which we will pledge will depend on the support given the Programme by others. It

[84] Voir le document 384./See Document 384.

should be pointed out that in the meantime it would be most inappropriate for any tentative figure to be mentioned for Canada. They might be informed in confidence that the amount of $2 million is considerably beyond the outside figure which we would contemplate.

387. DEA/5475-DU-1-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 265 New York, October 20, 1953

CONFIDENTIAL. IMMEDIATE.

CANADIAN CONTRIBUTION TO EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE

Reference: Your teletype No. 53 of October 3.

We have received formal notice from the Secretary-General that the pledging conference for technical assistance will be held November 12-13. He asks us to notify him of the name of our representative and to forward the necessary credentials empowering him to sign the final act of the conference.

2. The Secretary-General's note raises the question not only of naming the Canadian representative but of deciding what he shall say about the Canadian contribution. Indeed, if any announcement is to have its maximum effect upon other contributors it would be advisable to make it at the final meeting of the Negotiating Committee for extra budgetary funds which will be held within a week. Today's meeting of the Negotiating Committee, on which I am sending a separate teletype, went better than Friday's and four delegations announced increases totalling $260,000. The impression is now general here that the United States will pledge the same as last year, or at any rate not less than the amount which, on the 60-40 matching principle, they will actually pay over. I understand from telephone conversations that you have taken steps to confirm this through our Washington Embassy and should appreciate knowing the results, if any, of your enquiry.

3. We shall have to give a specific figure at the pledging conference and after mentioning our top figure would, I presume, use a matching formula similar to the one used last year when our maximum figure of $850,000 was tied to total pledges of $25 million. I should be glad to know as soon as possible what top figure you would authorize us to name.

388. DEA/5475-DU-1-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 127 Ottawa, October 23, 1953

CONFIDENTIAL

CANADIAN CONTRIBUTION TO UN TECHNICAL ASSISTANCE

Reference: Your telegram No. 265 — Oct. 20.

It is agreed that at the next meeting of the Negotiating Committee you should mention the figure of $1.5 million, as the maximum possible Canadian 1954 contribution. Your statement should be designed to encourage other countries and particularly the United States to maintain and if possible increase their financial support for the expanded programme. You should say that our maximum contribution would only be made if in the view of the Canadian Government this was warranted by the support given the programme by other countries, and if the total of contributions was sufficient to represent a reasonable and workable programme, which would justify the overhead expenditure involved. No, repeat, no, mention should be made to anyone of the $20 million figure below which, as you know, we would not consider the programme as worth-while. You should say, however, that if in our view the total of contributions falls short of what we regard as reasonable, the Canadian contribution would be reduced accordingly.

If agreeable, we propose to name Mr. David Johnson as our representative to the Pledging Conference. Please advise so that the necessary credentials may be prepared.

389. DEA/5475-DU-1-40

Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs
to Chairman, Delegation to the General Assembly of the United Nations

TELEGRAM 210 Ottawa, November 9, 1953

RESTRICTED

1954 CONTRIBUTION TO UNITED NATIONS TECHNICAL
ASSISTANCE PROGRAMME

In view of the public interest in this subject, and because Senator McKeen's[85] statement in the Negotiating Committee on October 28, having been made at a closed session, did not receive the publicity in Canada which might otherwise have been expected, we are proposing to issue a release with respect to our contribution, to coincide with the statement which Senator McKeen will presumably be making at this week's Pledging Conference. It is thought that the release might appropriately take the form of the text of Senator McKeen's statement, which we assume will be along the lines of that already made before the Negotiating Committee. Please provide text urgently. We are considering the advisability of the public release being made simultaneously here and in New York, and would appreciate your comments on this proposal.[86]

[85] S.S. McKeen, représentant, délégation à la huitième session de l'Assemblée générale des Nations Unies.
S.S. McKeen, Representative, Delegation to Eighth Session of the General Assembly of the United Nations.

[86] Le dossier ne contient pas de communiqué de presse.
No press release was found on file.

390. DEA/5475-DU-1-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 437 New York, November 9, 1953

RESTRICTED. IMMEDIATE.

CANADIAN CONTRIBUTION TO UNITED NATIONS TECHNICAL ASSISTANCE PROGRAMME FOR 1954

Reference: Your teletype No. 210 of November 9.

There follows in accordance with your request, the text of the statement which Senator McKeen proposes to make at the Fourth Technical Assistance Conference on November 12th. This is an advance text and should be checked against delivery.

Text begins:

Mr. President,

I am happy to speak for Canada at this Fourth Technical Assistance Conference, during which we hope to secure the financial support necessary to assure the continuance of technical assistance during the year 1954 as a truly expanded programme.

I am sure that we all agree that the war on want is the road to peace. The United Nations Technical Assistance Programme, by helping to improve standards of living and thus increasing the sense of security and brotherhood among the peoples of the world, is a considerable factor in the building of firm foundations for world peace. In another way, too, it helps in achieving this same purpose. We all know that changes in methods of production, in industrial technology and so on, are likely to hurt someone, even though in the long run the great majority may benefit from them. Our technical assistance programme, by providing training and guidance where they may be most needed, can facilitate adjustment to the new ways and reduce to a minimum the temporarily harmful effects of too rapid industrial change. It is of course in the nature of a pilot plant — an experiment, but so far a successful one; successful not least because all countries can contribute something useful to others. In fact, and from a selfish point of view, though we do not expect to be the direct recipient of technical assistance ourselves, we are sure that we, like others, shall share in the benefits of the programme as a whole.

For these reasons the Canadian Government strongly supports the principle of technical assistance, and has contributed financially both to the Commonwealth scheme of technical assistance which is part of the Colombo Plan, and to the three previous United Nations programmes. As we have heard from the Executive Chairman of the Technical Assistance Board and the Director-General of the Technical Assistance Administration, this fourth financial period marks a critical stage in the history of the programme. Now that our pilot plant has shown its worth, the re-

quests for assistance have begun to outrun the resources available, and it is to be hoped that contributions received for the 1954 financial period will enable the programme to be continued at a useful level. I am pleased to announce on behalf of the Canadian Government, Mr. President, that it is prepared, subject to Parliamentary approval, to raise its contribution to the 1954 programme to a maximum of *one million five hundred thousand dollars* provided that the support from other contributors in our view warrants such action, and provided that the total of contributions is sufficient to keep the programme at a level which we regard as economically sound. Should either of these conditions not be fulfilled, the Canadian contribution would be adjusted accordingly. Text ends.

391. DEA/5475-DU-1-40

Le sous-secrétaire d'État par intérim aux Affaires extérieures au secrétaire du Conseil du Trésor

Acting Under-Secretary of State for External Affairs to Secretary of the Treasury Board

SECRET Ottawa, December 18, 1953

Dear [R.B.] Bryce,

You will recall that at the meeting of Treasury Board on December 4, it was decided that provision should be made in the Main Estimates for a contribution to the United Nations Expanded Technical Assistance Programme in the amount of only $850,000 rather than the $1.5 million originally proposed by this Department. I am afraid that this decision may give rise to embarrassment and difficulties. In the circumstances, I am wondering whether Ministers might wish to reconsider the question.

During the discussion of the Technical Assistance at the General Assembly, Canadian representatives indicated at an early stage that, subject to Parliamentary approval, and if the degree of support given by other countries to the Programme was adequate, the Canadian Government was prepared to make a substantial increase in its contribution for 1954. On November 11, at the Fourth United Nations Technical Assistance Conference, Senator McKeen announced publicly (on the basis of a Ministerial decision of September 17) that the Government was prepared to raise the Canadian contribution from last year's level "to a maximum of $1.5 million provided that the support from other contributors in our view warrants such action and provided that the total of contributions is sufficient to keep the Programme at a level which we regard as economically sound." Other countries pledged their contributions in the knowledge of the action to be taken by the Canadian Government, and were, no doubt, influenced in coming to their decisions by the Canadian attitude. In the circumstances, and whatever may be the understanding about making up our contribution through the submission of a Supplementary Estimate, I think that to make provision at this time for UN Technical Assistance in only the amount of $850,000 will give rise to considerable, and I think avoidable, misunderstanding at the United Nations and in other contributing countries.

In the second place, I think it is worth recalling that various Members of Parliament were associated with the Delegation to the General Assembly, and followed very closely the development of Technical Assistance questions. These members are aware of Senator McKeen's statement, and of how the possibility of an increased Canadian contribution developed. I should think these Members would be somewhat surprised if the Estimate were to be tabled in the amount of only $850,000.

From the more technical point of view, I am wondering whether it is sound budgetary practice to seek an appropriation for UN Technical Assistance in an amount less than the known commitment. You will recall that when Ministers considered the question of our contribution on September 17, it was decided that the whole amount of $1.5 million (US) should be pledged only if it appeared that total pledges for 1954 would reach or exceed a total of $20 million. At the same time, the hope was expressed that the Canadian contribution would not in the end emerge at a figure that would be substantially out of line with the United States contribution. Discretion was left to the Secretary of State for External Affairs to act as he thought best in an effort to get the United States contribution and the general level of contributions to the Programme increased, on the understanding that the upper limit of the Canadian contribution for the 1954 period would be $1.5 million and that a smaller figure would be preferable, if it proved possible. In the end, the situation developed quite favourably. The United States has offered to make a maximum contribution of $14,750,000 compared with a pledge of $12,750,000 for 1953. So far, 63 Governments have pledged over $23.7 million for 1954, and on this basis, the actual contribution of the United States will exceed $13 million. It was announced at the end of the Technical Assistance Conference in mid-November that pledges had already risen above $23.5 million, and that the US had promised to increase its contribution. Thus when the Estimate was in preparation, it was known that the preconditions set by Ministers for a substantial increase in our contribution had been met. Possibly when Treasury Board considered this question, this was not fully appreciated.

In the light of the position described above, I wonder whether you would consider raising with the members of Treasury Board at their next meeting the desirability of reinstating the amount of approximately $650,000 by which the Estimate for United Nations Technical Assistance was reduced at the December 4th meeting, to bring the total to $1.5 million (US).

Yours sincerely,

C.S.A. RITCHIE

392. DEA/5475-DU-1-40

Note du sous-secrétaire d'État par intérim aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Acting Under-Secretary of State for External Affairs to Secretary of State for External Affairs

RESTRICTED [Ottawa], December 28, 1953

CANADIAN CONTRIBUTION TO UN EXPANDED TECHNICAL ASSISTANCE PROGRAMME

I understand that at its last meeting Treasury Board was reluctant to consider reinstating the amount by which the estimate for UN Technical Assistance was reduced at the Board's December 4 meeting from the level of $1.5 million (US) originally proposed by this Department. However, the possibility was apparently left open of your discussing this matter further with Mr. Harris.[87] I gather also that there was some feeling in Treasury Board that it would be dangerous for us to make provision at this stage for the full contribution of $1.5 million when there can be no guarantee that Congress will back up the substantial pledge which the United States Government has made for the 1954 programme.

You are, of course, in the best position to judge whether or not the decision to seek an appropriation of only $850,000 in the first instance is defensible. In considering this question and whether or not the possibility of making provision for the amount of our contribution in the Main Estimates should be re-opened with Mr. Harris, you may wish to recall that in your submission to Cabinet of September 17 and in the Cabinet conclusion of that meeting the full Canadian contribution was inter alia made contingent not on the amount to be contributed by other countries but on the total of pledges reaching or exceeding the amount of $20 million. While the statements made by Senator McKeen in announcing the possibility of an increased Canadian contribution were in terms of the contributions of other countries and the support given to the programme by the other contributors, it seems clear that he was referring to the pledges to be made rather than the actual contributions in cash and kind to be received throughout the year. In this connection you will recall that it was Senator McKeen who put forward the suggestion that the Technical Assistance Conference adopted on November 12 whereby the closing date for pledges was extended to December 31. In making this proposal Senator McKeen said:

"As I stated earlier, the exact amount of this (the Canadian) contribution is to depend upon the total of funds contributed. The results achieved by the Pledging Conference have been most encouraging and heartening, but in order to allow every chance for the Programme to reach the maximum figure possible, we are prepared to take into account in determining the total of the Canadian contribution any further pledges that may be received up to December 31, 1953."

---

[87] Walter E. Harris.

This was a public statement, and it would seem rather difficult in the light of it to justify an appropriation of only $850,000.

C.S.A. R[ITCHIE]

393. DEA/5475-DU-1-40

Le secrétaire d'État aux Affaires extérieures au ministre de la Citoyenneté et de l'Immigration

Secretary of State for External Affairs to Minister of Citizenship and Immigration

RESTRICTED Ottawa, January 12, 1954

My dear Colleague:

We spoke recently about the question of the amount for United Nations Technical Assistance to be included in the Main Estimates for 1954-55. At that time I indicated my agreement that the existing decision to Treasury Board to put in a figure of $850,000 (Canadian) should stand. It was understood between us, however, that provided the conditions laid down by Senator McKeen in his public statement to the Fourth United Nations Technical Assistance Conference are fulfilled, a Supplementary Estimate for UN Technical Assistance would be brought down at the appropriate time in an amount which would bring up our contribution to the pledged figure. You will recall that Senator McKeen's statement was in part as follows:

"I am pleased to announce on behalf of the Canadian Government, Mr. President, that it is prepared, subject to Parliamentary approval, to raise its contribution to the 1954 Programme to a maximum of $1,500,000 provided that the support from other contributors in our view warrants such action, and provided that the total of contributions is sufficient to keep the programme at a level which we regard as economically sound. Should either of these conditions not be fulfilled, the Canadian contribution would be adjusted accordingly."

Yours sincerely,

L.B. PEARSON

CHAPITRE IV/CHAPTER IV

ORGANISATIONS ET CONFÉRENCES INTERNATIONALES
INTERNATIONAL ORGANIZATIONS AND CONFERENCES

PREMIÈRE PARTIE/PART 1

INSTITUTIONS SPÉCIALISÉES DES NATIONS UNIES
UNITED NATIONS SPECIALIZED AGENCIES

SECTION A

ORGANISATION INTERNATIONALE DU TRAVAIL
INTERNATIONAL LABOUR ORGANIZATION

SUBDIVISION I/SUB-SECTION I

BUDGET

394. DEA/74-R-40

Note de la Direction des Nations Unies

Memorandum by United Nations Division

[Ottawa], February 20, 1953

I attended a meeting on February 17 in the Department of Labour at which preliminary examination was given to instructions prepared by the Department of Finance on administrative and financial questions which will be before the 121st Session of the ILO Governing Body. Committee meetings of this Session will get under way next Monday. Those present were: Mr. Paul Goulet, Department of Labour; Mr. M.G. Clark, Department of Finance; Mr. E. de Lotbiniere, Department of Finance, and myself. The Department of Labour had previously made available to the other two Departments copies of documents relating to the meeting of the Governing Body. The Department of Finance was asked for instructions on financial matters and our comments were sought on the political aspects.

We gave major attention at this meeting to the financial instructions which had been prepared in draft form by Mr. Clark. The chief point made in these instructions was that the Delegation should resist any increase in the ILO budget and should strive to uphold the principle of "stabilization". By this I believe the Department of Finance means the adoption of a budget no higher than that of last year, but they realized that this objective may not be achieved.

The suggestion had been included in the instructions that the establishment of two new field offices for technical assistance work might be deferred until another

year.[1] I thought it unwise to have an instruction given to the Delegation in this form. With India a member of the Governing Body, I felt that it would be inconsistent for Canada to be limiting technical assistance plans in ILO while encouraging them in the Colombo Plan. Mr. Clark agreed to revise this passage so as to emphasize the importance which Canada attaches to technical assistance work. He would ask the Delegation to take the position that a close examination should be made of this proposal to ensure that the funds required for administration were not out of line with the amount spent on actual operations.

Subsequently, Mr. Goulet indicated to me on a personal basis that he was greatly concerned at the rigid position the Delegation was asked to take on the budget increase. There had been an exchange of letters at the Deputy Minister level within the past week on this question but the views of the Deputy Minister of Finance had not altered.

Mr. Goulet informed me the following day, however, that his Deputy Minister had discussed the budget question with the Deputy Minister of Finance and had obtained the latter's reluctant concurrence in an increase of 3½% in the budget. The Delegation could agree to this if it found that there was strong support for such an increase on the part of other members of the Governing Body. Since there was accord on the basic principle of "stabilization" it would be left to the members of the Delegation to determine the tactics they should follow when the budget was up for discussion.

B. KEITH

---

[1] Notre copie du document porte l'annotation suivante ; les mots illisibles ont été mis entre crochets [...] : The following was written on this copy of the document; [...] indicates words which are illegible:

Mr. [Bruce] Keith: Your third paragraph. I think the point is whether the particular purpose is in itself sufficiently worthwhile having regard to overall funds available i.e. general question of "priorities". I think we must watch *overstressing* of stabilization. To be committed to economy does not involve continual resistance to necessary increases for worthwhile projects. I gather we stabilize by cutting out projects not really considered worthwhile. If we reach a point where *worthwhile* projects go we must reconsider. My idea of stabilization [...] is perhaps more generous than Finance told you but I don't think too far apart. Real question is to what extent [...] projects that can be eliminated without damaging whole scheme. Finance always says there are many. If they are right we need not differ, if however their economy is really preventing agencies from doing a job we must I think fight. G.B. S[ummers]

395. DEA/74-R-40

Extrait d'une lettre du délégué permanent adjoint auprès de l'Office européen des Nations Unies au sous-secrétaire d'État aux Affaires extérieures

Extract from Letter from Deputy Permanent Delegate to European Office of the United Nations to Under-Secretary of State for External Affairs

LETTER NO. 94 Geneva, March 12, 1953

RESTRICTED

121ST SESSION OF THE ILO GOVERNING BODY — MEETING OF THE FINANCIAL AND ADMINISTRATIVE COMMITTEE

Reference: Your telegram No. 32 of February 18, 1953.†

The Financial and Administrative Committee of the ILO Governing Body met in Geneva from February 23 to 26 and on March 3 under the chairmanship of Mr. Paul Ramadier[2] It being the turn of the government group to provide (who substituted for the newly-elected chairman of the Governing Body, Mr. Gardia Oldini[3]). the rapporteur for this meeting, I myself was prevailed upon to accept the responsibility as Canadian Government Representative. Two copies of the final report of the Committee to the Governing Body, as adopted by the Committee on March 3, are attached.† The report is in four parts, the first part containing the revised expenditure budget for 1954.

2. In the following paragraphs I propose to summarize the decisions taken by the Committee on each item of the agenda and to make reference to the more important aspects of the Committee's discussions.

. . .

Item 3 — Budget estimates for 1954 (D.1, D.8, D.13, D.19)

5. In his introductory statement on the 1954 budget estimates the Director-General said that in preparing his estimates he had taken into account what he believed to be "the more favourable situation in the economic and financial conditions of many countries" since he had presented his 1953 estimates to the Committee a year ago. He hoped therefore that it would be possible to secure a modest increase in the 1954 budget. He thought it possible that the estimates might be too high in some sectors and too low in others but that satisfactory adjustments could be worked out. The Director-General pointed out that, in two of the last three years, the ILO net expenditure budget had shown no increase; the net expenditure budget in 1951 showed a small reduction from 1950 and the net expenditure budget for 1953

[2] Membre régulier, groupe des gouvernements, Conseil d'administration de l'Organisation internationale du travail.
Regular Member, Government Group, Governing Body of ILO.

[3] Fernando Garcia Oldini du Chili.
Fernando Garcia Oldini of Chile.

showed a small reduction from 1952. On the other hand the net expenditure budget for 1952 showed an increase of approximately a quarter of a million dollars over 1951. If the last three years were taken as a whole the annual average increase in the budget was only $79,947. As regards the "developing needs of the Organization" the Director-General said that the ILO had to maintain fully its traditional function in promoting labour legislation and improving industrial relations and in undertaking research and publication activities. In addition a new emphasis had been laid upon its technical assistance and operational programme. When considering the 1954 estimates as compared with those of 1953, the Director-General asked the Committee to bear in mind that more than half the increase of $399,188 represented "automatic increases" including the abolition of the Geneva minus differential, annual, special and five yearly increments for staff under the provision of the staff regulations and the consequential increase in the amount of pensions contributions. He further emphasized that less than half the total increase was to provide for the "developing needs" of the Organization. The Director-General then went on to describe the principal increases and decreases in the 1954 estimates (which are fully set out in Document D.1)† and also to draw special attention to the project budget estimates and work loads (Document D.2)† and the financial aspects of the expanded programme of technical assistance (D.20)†.

6. During the general discussion following the Director General's presentation of his 1954 estimates, all Government and Employer Representatives made it quite clear that they considered an increase of almost $400,000 over the 1953 estimates much too generous and that they thought it should be possible to effect a considerable reduction in this figure. The statements of Government Representatives were in some cases in notable contrast to the position taken by the same Government Representatives during consideration of the 1953 estimates last year. In stating the Canadian Government's position we stressed our continued adherence to the principle of budget stabilization for all United Nations specialized agencies, including ILO. We said that it was our belief that the Director General's estimates for 1954 were too high and that we would therefore be proposing certain economies when the Committee came to consider the individual items in the estimates. We added however that we had no preconceived idea about the size of the budget which in our view should be sufficient to maintain the essential work of the Organization and at the same time permit whatever degree of expansion was found necessary. The United Kingdom Government Representative took much the same line as ourselves and left the impression that his government would not be averse to permitting at least some increase above the level of the 1953 budget. The Indian Government Representative took a somewhat more generous position than last year by saying that his government was not necessarily asking the Director-General to hold the line at the 1953 budget level. He recognized that there were certain automatic increases to be taken into account and that it might not be possible to absorb them in a budget held at the 1953 level. The French Government Representative somewhat unexpectedly joined his Canadian and United Kingdom colleagues in stressing the importance of the stabilization principle and took the attitude that a well-established Organization like the ILO should have less difficulty in holding down its budget than those international organizations which had been created more re-

cently. The United States Government Representative said bluntly that his government could not support any action which would increase the United States contribution above that for 1953. He stressed the special interest of his government in certain aspects of the Organization's work but pointed out that these activities could be carried out fully and effectively without increasing the budget. The spokesman for the Employers advocated continued stabilization of the budget which in his view need not entail stagnation of the activities of the Organization. He thought that important economies could be made through a better utilization of the large existing staff of the Organization (i.e. greater flexibility in their employment) and that resulting savings in this sector might be used to offset any automatic increases which had resulted from earlier decisions of the Governing Body (e.g. abolition of the salary differential). As in previous years the spokesman for the Workers expressed strong opposition to the suggestion of stabilization of the budget since he believed that stabilization must inevitably involve reduction of the Organization's activities. He expressed the conviction that government financial support for the Organization should be based on their ability to meet the Organization's obligations "in the light of the continuing need for improving the economic and social conditions of millions of poverty stricken people throughout the world and a permanent contribution to peace which this would represent". He noted that, whereas the Government Representative of India had approached the budgetary problem in a broad-minded manner, the Government Representatives of France and the United States had this year joined forces with the Canadian Government in advocating stabilization.

7. At the conclusion of the general statements the Committee settled down to examine the budget estimates item by item. As might be expected from the foregoing general statements the proposals put forward by various members of the Committee were concerned with reducing the estimated figure for almost every item. Some of the main suggestions for economies were as follows:

(a) Reduction in the estimates for salaries of temporary staff;

(b) For budget estimate purposes, a reduction in the duration of the annual conference from twenty-three days to three weeks;

(c) Postponement or elimination of certain projected technical meetings;

(d) Reduction of the Governing Body Delegation to the United Nations General Assembly from six persons to three;

(e) Reduction in the number of new posts requested by the Director-General;

(f) Amalgamation of the activities of the ILO Liaison Office with the United Nations in New York and the Washington Branch Office;

(g) Reduction in the estimates for printing and general office expenses;

(h) Reduction in the estimates for those Industrial Committees in which it was found that there had been overbudgeting in the past;

(i) Postponement of the establishment of new field offices and the appointment of new national correspondents.

In addition to the above many other economies were suggested. These are fully set out in the Committee's first report to the Governing Body (Document G.B.

121/7/20)†. As the result of these proposals the Director-General subsequently came back to the Committee with revised estimates, the net result of which would be to reduce the original estimate over the 1953 budget from $399,188 to $87,802. In submitting his revised estimates the Director-General made a spirited plea for a fuller understanding of the aims and fundamental activities of the Organization. He said that the Organization remained "a moral, spiritual and social force" and that "any undermining of the budget, which is the mainspring of the Organization, would undermine one of the possibilities of assuring achievement of the Organization's objective of world peace and minimize the potentialities of Employer-Worker co-operation for influencing the trend of world affairs". He warned that "failure on the part of the Workers and Employers of the ILO to influence world affairs in the direction of reaching democratic and peaceful solutions may well mean that the problems with which they are dealing will be taken out of their hands and resolved in a way which might be undemocratic and contrary to their interests."

8. The reaction of the various members of the Committee to the Director-General's revised estimates are largely reflected in the vote which was subsequently taken on them. This vote was as follows:

In favour	—	10	—	Government of Canada
			—	Government of India
			—	Government of France
			—	Government of United Kingdom, and the
			—	Employers group
Against	—	6	—	Workers group
Abstentions	—	2	—	Governments of the United States and Venezuela — the latter substituting for the absent Chinese Government Representative

Prior to the taking of the vote all Government Representatives (with the exception of the United States) and the Employers group expressed their appreciation of the efforts made by the Director General to reduce the 1954 estimates to an acceptable figure. In our statement on behalf of the Canadian Government, we said that we considered that the revised estimates were reasonable and that we were therefore prepared to accept them but emphasized that our acceptance of an increase over the 1953 budget should not be interpreted to mean any weakening of our support for the principle of stabilization. In spite of the Director-General's plea for unanimity in favour of the revised estimates, the Workers' Representative took strong exception to some of the reductions made by the Director-General and made it clear that these reductions were too drastic to be acceptable to the Workers group.[4] Having warned the Government and Employers members of the Committee of the political danger, in the under-developed countries of the world, involved in any hindrance of adequate support for the work of the Organization, he regretted that his group would have to oppose the revised estimates on the grounds of their insufficiency.

. . .

[4] Note marginale:/Marginal note:
First time in many years.

Comments

11. As will be seen from the brief foregoing summary, the Committee's discussion of the budget estimates this year was characterized by generally firmer resistance on the part of the Government group to any considerable increase in the estimates for 1954 over the level of the budget for 1953. Discussion was equally characterized by a firmer resistance on the part of the Workers group to any drastic reduction of the Director-General's original estimates for 1954. It is undoubtedly true that the attitude of the United States Government was the one which weighed most heavily with the Director-General and had it not been for United States insistence on no increase whatever over the 1953 budget, it is probable that the Director-General would have submitted a much less drastically revised estimate and might even have got unanimous acceptance of it. We learned confidentially that the Director-General had reduced his original estimate considerably below the figure which the Treasurer and his other senior advisers considered wise but that he had done so in order to meet to the fullest possible extent the requests of all government members of the Committee, including the United States. It should be noted that the Indian Government representative made a more liberal approach to the 1954 estimates that he had last year to the 1953 estimates. On the other hand the French Government Representative surprised everyone by expressing his government's attachment to the principle of stabilization, thereby demonstrating a much greater degree of economy-mindedness than last year. The Canadian position was probably closest to that of the United Kingdom Government which, while expressing its interest in keeping the 1954 estimates as closely as possible to the 1953 level, did not rule out altogether some increase over 1953 if the reasons for such increase were well-founded.

12. The Workers group undoubtedly resented the fact that governments which had permitted considerable increases in the budgets of other international organizations were apparently determined to be much less generous with the ILO budget. It is also evident that the Workers group dislike the purely financial approach of governments to the ILO estimates. As mentioned above, little consideration was given to the project budget annex nor was there any real attempt to evaluate the usefulness of either the traditional or the more recently established activities of the Organization. The approach of both the Government and the Employers group was essentially one of determination to economize and then to suggest reductions of varying extent in almost every item of the estimates. This does not mean to say that all the proposals put forward for economies were irresponsible or even unsound but it is possible that in making these proposals Government and Employers Representatives have given too little expression to their views on the usefulness of what are generally regarded as the more important activities of the Organization. Admittedly there may be some differences between the Government, Workers and Employers groups as to what constitute the "more important activities of the Organization" (and also possibly differences of opinion within groups) and this may be the reason why it has been difficult for the Financial and Administrative Committee to express a concerted opinion on the project budget annex before examining its financial implications.

13. It will be noted that in submitting his revised estimates the Director-General informed the Committee that he was merely postponing the implementation of certain projects (e.g. the holding of certain technical meetings, the establishment of one field office, etc.) and not dropping them altogether. It seems likely therefore that when the Committee comes to consider the estimates for 1955, they will find that the Director-General has proposed a figure comfortably above the revised estimates for 1954 in order to ensure the availability of funds for projects which were temporarily postponed. Under these circumstances it is difficult to see how the ILO budget can be effectively stabilized at any predetermined level.

. . .

25. The four reports of the Financial and Administrative Committee were subsequently adopted by the Governing Body without amendment and with the minimum of discussion. The only notable feature was a restatement by the Workers group of their objections to the Director-General's revised estimates for 1954 and a repetition of their vote against the adoption of the 1954 estimates as amended.

K.D. McILWRAITH
for B.M. Williams

SUBDIVISION II/SUB-SECTION II

BARÈME DES CONTRIBUTIONS
SCALE OF ASSESSMENTS

396. DEA/74-AZ-16-40

Le sous-secrétaire d'État aux Affaires extérieures
à la délégation permanente auprès de l'Office européen des Nations Unies

Under-Secretary of State for External Affairs
to Permanent Delegation to European Office of the United Nations

LETTER NO. V-53 Ottawa, March 5, 1953

ILO SCALE OF ASSESSMENTS

Reference: Our Telegram No. 41 of February 28, 1953.†

I am enclosing two copies of the commentary article on ILO Scale of Assessments for use by the Canadian representatives at the 121st Session of the ILO Governing Body. The main points of this article were sent to you in Telegram 41 of February 28, 1953. These instructions have been agreed upon by ourselves, the Department of Labour and the Department of Finance.

G.B. SUMMERS
for the Under-Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Organisation internationale du travail
Barème des contributions pour 1954

International Labour Organization
Scale of Contributions for 1954

[Ottawa, n.d.]

Background

In previous years Canadian delegations have repeatedly stressed the need for re-examination of the principles of assessment of the International Labour Organization with a view to recommending modifications which would achieve a more equitable distribution of the burdens of membership.

In particular Canadian spokesmen have pointed out that the United States contribution of 25% is considerably below the United States "relative capacity to pay" with the result that other members like Canada are required to pay a disproportionate share of the costs of maintaining the organization. Under the present ILO scale Canada's assessment is almost *one-sixth* of that of the United States, although Canada's national income is only one-sixteenth of the U.S. national income.

As long as the United States contribution remains at its present low level it will be difficult to develop a scale under which all member states pay their fair share of the expenses of the organization. This fact is clearly demonstrated in document GR 121. AC/D1 submitted by the Director-General to the Governing Body.† Under illustrative scale X appended to this document the rate of Canadian contribution to the ILO for 1954 could be increased to 4.14% by contrast with the present (1953) rate of 3.8[?]5% and the assessment of 3.3% which Canada pays to the United Nations.

Adoption of this scale would widen the disparity between United States and Canadian contributions to the ILO and is clearly unacceptable to the Canadian Government.

A United States contribution of 33.33% would bring the policies and practices of ILO into line with the policies and practices of the United Nations and the larger affiliated agencies such as the World Health Organization and UNESCO. In these organizations United States contributions were originally above the one-third level. United States representatives, in urging reductions in their assessments, indicated that the United States regarded 33.33% as an appropriate contribution. They also stated that the United States directly relates its contribution to any one United Nations organization to the contributions it makes to the others. Since the reductions achieved by the United States in its contributions to the United Nations, WHO and UNESCO during the past few years have considerably exceeded increases in the United States contributions to ILO, FAO and ICAO it would have been reasonable to expect that the United States would be prepared to accept increased assessments in organizations like the ILO.

United States Delegates have rationalized their unwillingness to accept adjustments in their contributions to the ILO, FAO and ICAO by contending that the United States has contributed large sums to United Nations operational programmes such as the International Refugee Organization, International Children's Emergency Fund, Expanded Programme of Technical Assistance, the Relief and Works Agency for Palestine Refugees and the Korean Reconstruction Agency. While Canada recognizes the generous support the United States has given to these programmes, in most cases the United States contributions have been no greater than might have been expected from a country with United States interests, responsibilities, and "capacity to pay". Furthermore, other countries like Canada have never hesitated to carry their full weight in these fields and has generally matched, and in some cases surpassed, the American contributions both in terms of percentage of national income and per capita income.

United States Delegates have also justified their stand in ILO by stressing the difficulty in securing Congressional approval for increased assessments. Other member states also have legislatures that must be satisfied that their national contributions are not excessive. It will be extremely difficult to convince the Canadian Parliament that the people of Canada should contribute almost twice as much, on a per capita basis, as United States citizens who have the highest per capita income in the world.

In an effort to remedy this unsatisfactory situation the Canadian Government planned to make a determined effort to induce the November 1953 meeting of the Governing Body to endorse a resolution calling for a substantial increase in the United States contribution. However, prior to the November 1952 meeting of the Governing Body, State Department officials approached Canadian representatives in Washington and New York and proposed that final action on the scale of contributions for 1954 be postponed until the March 1953 meeting. The State Department officials indicated that the presidential and congressional elections and discussions on contributions at the United Nations General Assembly would make it difficult for them to accept an increase in their ILO assessment at that time. Canada agreed to support a move to defer consideration of the matter until the March meeting, provided that State Department officials gave informal assurances that they would sympathetically consider the problem when it was discussed in March. These assurances were subsequently given and the Canadian Delegation cooperated with the United States Delegation to postpone action on contributions.

Despite these assurances, officials of the State Department recently informed the Canadian Ambassador in Washington that the United States Delegation to the forthcoming meeting of the Governing Body would *not* accept an increase in the United States contribution. The State Department justifies this position on the ground "that the new Administration is attempting to reduce the budget by $19 billion. Any proposals for increases in contributions to international organizations, regardless of their reasonableness and historical basis, can not be accepted at this time".

Canada's position

Acceptance of United States views will, of course, prevent the ILO from effecting improvements in the scale of assessments. As indicated above Canada is strongly opposed to the continuation of the present scale which departs so widely from the equitable sharing of expenses on the basis of "relative capacity to pay". The Delegation should make a determined effort to induce the Governing Body to recommend a policy designed to remove existing inequities quickly and systematically.

The most effective way to achieve this objective would be to develop an ILO scale based directly on the United Nations scale. The United Nations scale recognizes the United States desire to limit its contribution to 33⅓ per cent and has been derived from the most accurate and up-to-date information regarding capacity to pay. Only amendments that are required to take account of differences in membership should be required.

If the Allocations Committee is not prepared to recommend removal of all inequities from the 1954 scale, the Delegation should suggest that the necessary adjustments be achieved over a period of two or three years. The United States representatives will undoubtedly draw attention to a ceiling of $1,750,000 placed by Congress on the United States contribution to the ILO. However, the United States share of the 1953 budget is $1,558,842. If the 1954 budget is stabilized at the 1953 level, this would allow an increase in the United States percentage contribution of 3 per cent without breaching the Congressional ceiling. In the event that a higher budget is adopted, the United States assessment should be increased to the level permitted by the Congressional ceiling.

Furthermore, the Delegation should seek support, including that of the United States, for a resolution offering the prospect of further early increases in the United States contribution. This might require United States efforts to induce Congress to remove the absolute ceiling on its contribution. In urging United States cooperation in this matter the Delegation should not hesitate to stress the difficulties that would arise if each government were to decide to determine the level of its own contribution unilaterally.

397. DEA/74-R-40

Le délégué permanent adjoint auprès de l'Office européen des Nations Unies au sous-secrétaire d'État aux Affaires extérieures

Deputy Permanent Delegate to European Office of the United Nations to Under-Secretary of State for External Affairs

LETTER No. 98 Geneva, March 18, 1953

CONFIDENTIAL

121ST SESSION OF THE ILO GOVERNING BODY — MEETING OF THE ALLOCATIONS COMMITTEE

Reference: Your Telegram No. 41 of February 28.†

The Allocations Committee of the ILO Governing Body met in Geneva on March 2 to discuss the scale of contributions for the 1954 budget. Attached are three copies of the Committee's report to the Governing Body in which the views expressed by members of the Committee are satisfactorily summarized.† You will note from the report that the Committee reached no final conclusion at this meeting, preferring to postpone further consideration of the 1954 scale of contributions until its next session in the hope that, in the interval, the United States Government would find it possible to modify to some extent its continued opposition to any increase in its rate of contribution to the ILO.

2. To summarize briefly the statements made by the various members of the Committee and other Government Representatives not members of the Committee, the Canadian, Australian, Indian and United Kingdom Representatives all stressed the desirability of obtaining an increase in the assessment of the highest contributor before considering any other methods of adjustment which would bring the ILO scale of contributions more in line with the United Nations scale. When all the other members of the Committee had spoken, the United States Government Representative told the Committee that it was impossible for his government "to accept any new obligations at this time" in view of a current economy campaign in all sectors of the United States administration. As on previous occasions he drew attention to the fact that the United States had raised its rate of contribution from 18.35 per cent to 25 per cent since 1949, and added that this did not "foreclose the possibility of future adjustments in the position". He also referred to the position taken by his government in the Financial and Administrative Committee that the United States could not increase its financial contribution to the ILO above the amount of its gross assessment for the current year, and pointed out that this statement clearly related to the rate of contribution as well as to the total amount of the budget.

3. Being fully conscious of the firm line we were instructed to take at this meeting in your telegram under reference (I should mention that we did not receive your letter No. 53 of March 5 until after the end of the Governing Body session), we attempted — after the United States Government Representative had spoken — to persuade the Committee to recommend to the Governing Body that the United

States Government be invited to increase its contribution in 1954 by at least 2 per cent which, as we pointed out, would not involve breaching of the dollar ceiling set by Congress for the United States contribution to the ILO. All members of the Committee who had fully supported our consistent stand on the desirability of increasing the assessment of the highest contributor, were evidently not prepared to bring this type of pressure to bear on the United States Government and we found ourselves in the somewhat uncomfortable position of being advised by the United States Government Representative that it would be unwise for us to press the Committee to make such a recommendation to the Governing Body at this time. However, this abortive effort may not have been entirely wasted in view of the fact that we were subsequently able to obtain support from other like-minded members of the Committee for a notable improvement (from our point of view) in the original draft report of the Committee to the Governing Body. Whereas in the first draft of paragraph 13 of the Committee's report, the Committee agreed to limit itself to reporting its discussion to the Governing Body "in the confident expectation that at its next session it would, as in previous years, be able to reach unanimous agreement on the scale of contributions for 1954 to be submitted to the Governing Body", we were instrumental in getting the second half of the paragraph redrafted to read "the majority of the governments stressed again the desirability of the highest contributor seeing its way clear to raise its rate of contribution for 1954 and thus facilitate the reaching of unanimous agreement on the scale to be submitted to the Governing Body at its next session". Under the circumstances, I think that we were fortunate to be able to get this degree of firmness inserted in the Committee's report. It may be noted here that the Governing Body subsequently took note of the report of the Allocations Committee, without discussion.

4. The very slight progress achieved by the Committee at this session on the question of the United States contribution has, if anything, confirmed the view that I have held for some time and which I have expressed in previous reports on this subject that if we are really determined to get the United States to accept a higher assessment, we cannot do so successfully by relying solely on the statements made by ourselves and other Government Representatives in the Allocations Committee of the ILO. I am firmly of the opinion — and I may say that my opinion is shared by the majority of other members of the Allocations Committee — that the only satisfactory way of persuading the United States Government to make some concession in this matter is by means of either formal or informal representations to the appropriate authorities in Washington. In this connection I should mention that the United States Government Representative, Mr. Philip Kaiser, told me that, on his return to Washington, he intended to take up with "people in Ottawa" this whole question in order that his government's position might be more fully understood by the Canadian Government. Mr. Kaiser's chief adviser, Mr. Mulliken, also mentioned the possibility of his speaking to his people in Ottawa, and asked me if I thought this might help matters. It is therefore possible that you may be approached by someone in the State Department in this connection, either direct or through our Embassy in Washington. For our part we would welcome a frank exchange of views between Washington and Ottawa with a view to building up for ourselves a more realistic position at the next session of the Governing Body. I must admit

however that I am not at all optimistic or even hopeful that the United States will see its way clear to accepting any increase in its contribution for 1954.

B.M. WILLIAMS

398. DEA/74-AZ-17-40

Le sous-secrétaire d'État aux Affaires extérieures
à la délégation permanente auprès de l'Office européen des Nations Unies

Under-Secretary of State for External Affairs
to Permanent Delegation to European Office of the United Nations

LETTER NO. V-119 Ottawa, May 16, 1953

CONFIDENTIAL

COMMENTARY FOR 122ND SESSION OF ILO GOVERNING BODY

Reference: Our letter V-116 of May 14, 1953.†

I attach for your information a provisional draft of a commentary article on the ILO Scale of Contributions for the use of the Delegation attending the 122nd Session of the ILO Governing Body. This was received in this form from the Department of Finance, but there has not been time before the bag closed to have it considered at the usual levels in this Department and in the Department of Labour. If any changes are required in this article we shall notify you by telegram. This article should be read in conjunction with instructions provided in our letter No.V-53 of March 5, 1953, for the use of the Delegation to the 121st Session.

2. You will also find of interest in this connection the exchange of correspondence on this subject between the Department and the Embassy in Washington to be found in our letter to Washington No.V-425 of April 16, 1953,† and the Embassy's letter to us, No.899 of April 30, 1953,† copies of both of which were referred to you.

G.B. SUMMERS
for Acting Under-Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Projet de commentaires du ministère des Finances sur le barème des contributions de l'OIT[5]

Provisional Draft of Commentary Article on the ILO Scale of Contributions from Department of Finance[5]

[Ottawa, n.d.]

The scale of assessments has been intensively discussed at all recent meetings of the International Labour Organization and has formed the subject of comprehensive briefing to Canadian Delegations to meetings of the Governing Body and the Conference. Accordingly, this paper is limited to a brief review of current developments and an outline of the position the Delegation might adopt at coming meetings.

Canadian Delegations have repeatedly stressed the need for a re-examination of the principles and practices of assessment of the International Labour Organization and have sought modifications which would bring about a more equitable sharing of the burdens of membership. In particular, Canadian spokesmen have insisted that the US contribution (25%) is unduly low and considerably below its "relative capacity to pay". As a result, other members have been assuming a disproportionate share of the costs of maintaining the Organization. Canadian Delegations have not hesitated to point out that if the US contribution remains at its present low level it will be difficult to develop a scale under which member states share the expenses of the Organization equitably.

In response to the forceful case for adjustments in the scale made by a number of member states (including Canada) at the 33rd Session of the International Labour Conference, the US representative replied that "the United States directly relates the amount of its assessment in any one international agency to the assessments it carries in other agencies, and to the large amounts of money which the United States is spending on various cooperative international activities. Specifically, the United States has been unwilling to increase its percentage share of ILO expenses when there was no indication that the percentage share borne by the United States would not be reduced in the United Nations, the World Health Organization and UNESCO, where the United States contribution rates are unusually high".

Since the US has been successful over the past few years in achieving reductions in its contributions to the United Nations, the World Health Organization and UNESCO reductions far exceeding the increases it has accepted in ILO, FAO and ICAO, it would have been reasonable and logical to expect the United States to agree to accept further adjustments in the ILO. However, when an officer of the

[5] Notre copie du document porte l'annotation suivante :
The following was written on this copy of the document :
Note: This was based on the draft submitted by Dep [artmen]t of Finance under signature of Mr. Deutsch on May 10/53. B. Keith

Canadian Embassy approached the State Department recently to request co-operation in "the development of a mutually satisfactory approach which would permit orderly progress to a more equitable scale of assessments", he was informed that the US Delegation to the forthcoming meeting of the Governing Body would almost certainly be under firm instructions not to agree to any increase in the US contribution, even though with a moderate increase the US assessment would still remain within the Congressional ceiling.

The State Department justified this inflexible position on the grounds that the new Administration is attempting to reduce the national budget. While it would be unrealistic to ignore the current Congressional pressure for economy, the US can hardly expect to settle financial questions of international concern on a unilateral basis. At the very least, the US should be prepared to recognize the legitimate claims of other members for equitable treatment and agree to give sympathetic consideration to steps leading to a fair sharing of the burdens of membership in international organizations.

Although we do not feel that the Delegation need continue to press its case if it finds itself in the isolated position which it felt was unrealistic at the 121st Session, the Delegation should consult with other members of the Governing Body and seek support for specific Conference decisions (or at least a long-term programme) likely to lead to orderly progress toward a more equitable scale. If the US is unwilling to agree to some upward movement in its contribution for 1954, the Delegation should seek support for a firm but tactful resolution which at least offers the prospect, if not absolute guarantees, of early adjustments. Either this might take the specific form of a resolution urging the US to accept a regular pattern of annual increases in its contributions beginning next [year] (for 1955) and continuing until the United States contribution reaches a more reasonable level or, alternatively, as a second resort, the Delegation might seek support for a resolution urging the US to consider the possibility of future adjustments which would reach the ceiling (of 33⅓%) gradually, but within a reasonable period of time.

If US cooperation or acquiescence in either of these approaches is not forthcoming, the Delegation should press for postponement of any revision of the ILO scale for another year pending re-examination of the whole issue and the Delegation, in this event, should vote for retention of the 1953 scale for another year. The Delegation should oppose and vote against the adoption of any scale that would widen the disparity between Canada's contribution and that of the United States.

399. DEA/74-AZ-17-40

Le délégué permanent adjoint auprès de l'Office européen des Nations Unies au sous-secrétaire d'État aux Affaires extérieures

Deputy Permanent Delegate to European Office of the United Nations to Under-Secretary of State for External Affairs

LETTER NO. 236 Geneva, July, 1953

RESTRICTED

122ND SESSION OF THE ILO GOVERNING BODY — MEETING OF THE ALLOCATIONS COMMITTEE

The Allocations Committee of the Governing Body held a brief meeting on Thursday, May 28, to consider the scale of contributions for the 1954 budget.

2. You will recall in the commentary on the scale of assessments for 1954, prepared for the guidance of the Canadian delegation to the 122nd Session of the Governing Body (your letter V.119 of May 16, 1953), it was suggested that if United States co-operation or acquiescence was not forthcoming with respect to an increase in their assessment, the delegation should press for postponement of any revision of the ILO scale for another year pending re-examination of the whole issue. Prior to the meeting of the Allocations Committee we held informal conversations with the United States delegation and learned that they would oppose any suggestion that their assessment be increased, or any resolution — however mild — in which the opinion was expressed that there should be an upward adjustment in their contribution. In view of this situation, we deemed it advisable merely to secure a statement from the United States representative in the Allocations Committee that they were not prepared to accept any increase in their assessment and that in fact their position had not changed in any respect since the meeting of the Allocations Committee at the 121st Session of the Governing Body. This statement having been made by the United States representative, the Committee then approved unanimously the same scale of contributions as had been approved for 1953.

3. You will recall that in a memorandum dated June 24, 1953,[6] prepared for Mr. A.H. Brown, Deputy Minister of Labour, reporting on the deliberations of the Finance Committee of Government representatives, I reported that this Committee unanimously adopted the recommendation of the Allocations Committee which had also been approved by the Governing Body. During the discussion of this item in the Finance Committee of Government representatives, I indicated that the Canadian delegation would vote in favour of adopting for 1954 the scale of contributions adopted for 1953. I added, however, that this did not mean that Canada was in favour of the continued application of the 1953 scale. I emphasized that the Canadian Government considered the present scale inequitable for reasons which we had frequently stated in the past, both in the Governing Body and its committees. I concluded by saying that no really equitable revision of the present scale could be

[6] Non trouvée./Not located.

made until such time as the major contributor agreed to accept an increase in its present allocation. A summary record of my observations will be found on Page III of the appendices to Provisional Record No. 12.†

4. The Canadian contribution for 1954 is 3.98%, or $260,964.10.

B.M. WILLIAMS

400. DEA/74-AZ-17-40

Extrait d'une lettre du délégué permanent adjoint auprès de l'Office européen des Nations Unies au sous-secrétaire d'État aux Affaires extérieures

Extract from Letter from Deputy Permanent Delegate to European Office of the United Nations to Under-Secretary of State for External Affairs

LETTER NO. 242 Geneva, July 13, 1953

RESTRICTED

122ND SESSION OF THE GOVERNING BODY OF ILO

The 122nd Session of the Governing Body of the International Labour Organization was held in Geneva from May 29-30 and on June 26 and 27 following closure of the Thirty-Sixth Session of the International Labour Conference. Mr. B.M. Williams acted as substitute for the Canadian Government delegate at this Session of the Governing Body and was assisted by Mr. K.D. McIlwraith.

2. Following is a summary of the decisions taken on the various items of the agenda:

. . .

Item 7 Report of the Allocations Committee (G.B.122/7/22)

12. The Governing Body adopted, without discussion, the recommendation of the Allocations Committee that the scale of contributions approved for the 1953 budget should be adopted without change for the 1954 budget.

. . .

B.M. WILLIAMS

SUBDIVISION III/SUB-SECTION III

CONSEIL D'ADMINISTRATION
GOVERNING BODY

401. DEA-74-AY-40

Le sous-ministre du Travail
au sous-secrétaire d'État aux Affaires extérieures

Deputy Minister of Labour
to Under-Secretary of State for External Affairs

Ottawa, May 7, 1953

Dear Mr. Wilgress,

RE: 36TH INTERNATIONAL LABOUR CONFERENCE,
GENEVA, JUNE 4 TO 27, 1953

At the 121st session of the Governing Body this spring a recommendation was submitted by the Director General that there should be placed before the 1953 Conference for consideration a proposed amendment to the International Labour Organization Constitution to increase the number of members of the Governing Body from 32 to 40 members as follows:

(a) increase membership of states selected on basis of industrial importance from 8 to 10;

(b) increase number of states elected to the Governing Body from 8 to 10;

(c) increase number of employer representatives from 8 to 10; and increase number of worker representatives from 8 to 10.

The reasons advanced in support of the proposal were:

(1) The number of states who are members of the ILO has increased to a new high of 66 and the size of present Governing Body was fixed at 32 when the membership was much smaller;

(2) due to taking Germany and Japan back into membership, some of the states now holding membership in the Governing Body as being one of eight states of chief industrial importance will be displaced when the selection of a new Governing Body takes place in 1954 unless the Governing Body is enlarged by change in the Constitution effected at the 1953 conference and ratified before June 1954 meeting of the Governing Body; Canada is in sixth place among the states of chief industrial importance;

(3) due to current scope of ILO activities, an enlarged Governing Body is considered advisable in order to provide adequate Governing Body representation at the various regional conferences and committee meetings;

(4) it is anticipated that if the Governing Body is enlarged it will be possible to reduce the number of alternate members appointed and this will in part offset increased cost otherwise involved.

This proposal was approved by the Governing Body. Canada, United States, India and Australia abstained because they had no instructions from their governments.

I believe that Canada has nothing to lose by going along with this proposal, which will probably be approved by a large majority at the Conference. I would suggest that Canada support this item when it is voted upon, if you concur.

May I hear from you as soon as possible on this please?

Yours very truly,

A.H. BROWN

402. DEA/74-AY-40

Le sous-secrétaire d'État suppléant aux Affaires extérieures au sous-ministre du Travail

Deputy Under-Secretary of State for External Affairs to Deputy Minister of Labour

Ottawa, May 12, 1953

Dear Sir:

RE: 36TH INTERNATIONAL LABOUR CONFERENCE, GENEVA, JUNE 4 TO 27, 1953

I have your letter of May 7 in which you indicate that you think Canada should support the proposal which will come before the 36th ILO Conference to increase the number of members of the Governing Body from 32 to 40.

I think the reasons you have advanced in support of this proposal are very sound and I agree that Canada should support the proposed amendment to the ILO Constitution when it comes to a vote.

Looking at the question from the strictly Canadian point of view, I think it is important for Canada to have membership on the Governing Body as one of the states of chief industrial importance. In view of this, it is to our advantage to have the proposed increase implemented so that we are less likely to lose our membership as other countries reach the first rank of industrial significance.

Yours sincerely,

C.S.A. RITCHIE

403. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], October 28, 1953

. . .

International Labour Organization; instrument for amendment of constitution

15. *The Minister of Labour* reported that the 36th Annual Conference of the International Labour Organization, held at Geneva in June, had adopted an instrument for the amendment of the Organization's constitution to increase the size of the governing body from 32 to 40 so as to take account of increases in membership. There was no legal requirement for the government to seek Parliamentary approval before ratification of an instrument of this kind. The practice of seeking Parliamentary approval had been established when an international instrument involved military or economic sanctions, large expenditures of money, and important policy considerations, or where legislation was required for implementation. These criteria did not apply to the present amendment. It was recommended that ratification be given by the Governor in Council rather than by seeking prior approval of Parliament. If it were decided that the approval of Parliament should be sought, a resolution in the terms submitted might be introduced as soon as practicable after the start of the session.

(Minister's memorandum, Oct. 26, 1953 — Cab. Doc. 264-53)†

16. *In the course of discussion*, it was pointed out that, while no new principle or additional financial commitments were involved, it might be preferable, in order to avoid criticism, to have the amendment ratified in Parliament. On the other hand, it was desirable to avoid establishing a position in which approval by Parliament would be necessary every time a technical revision took place in the constitutions of the many international organizations to which Canada belonged.

17. *The Cabinet* agreed that the instrument of amendment of the constitution of the International Labour Organization to increase the size of the governing body of that organization from 32 to 40, so as to take account of increases in membership, be ratified, but that final decision, as to whether prior Parliamentary approval should be sought be deferred pending a report by the Secretary of State for External Affairs as to the precedents in procedures for ratification of international instruments, particularly those relating to the constitution of international organizations.

. . .

404. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], November 4, 1953

. . .

International Labour Organization; amendment to constitution

33. *The Secretary of State for External Affairs*, referring to discussion at the meeting of October 28th, 1953, reported that, although there was no legal necessity to do so, the practice had been established of seeking Parliamentary approval of international agreements involving military or economic sanctions, large expenditures, political considerations of a far-reaching character, or obligations the performance of which would affect private rights. However, in instances where international agreements were concerned solely with administrative or technical arrangements, such as in the case of the present amendment to the constitution of the International Labour Organization adopted at Geneva in June, 1953, it had not been the practice to seek Parliamentary approval.

34. *The Cabinet* noted the report by the Secretary of State for External Affairs on precedents relating to the ratification of various international agreements, and agreed that the amendment to the constitution of the International Labour Organization, adopted at Geneva in June, 1953, be ratified without seeking prior Parliamentary approval.[7]

(Order in Council P.C. 1953-1712, Nov. 4).†

. . .

[7] Le gouvernement canadien ratifia l'amendement le 12 novembre 1953.
The Canadian government ratified the amendment on November 12, 1953.

SECTION B

FONDS MONÉTAIRE INTERNATIONAL : EXPULSION POSSIBLE DE LA TCHÉCOSLOVAQUIE
INTERNATIONAL MONETARY FUND: POSSIBLE EXPULSION OF CZECHOSLOVAKIA

405. DEA/600-H-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs to High Commissioner in United Kingdom

TELEGRAM 1695 Ottawa, October 29, 1953

CONFIDENTIAL. IMPORTANT.

POSSIBLE EXPULSION OF CZECHOSLOVAKIA FROM INTERNATIONAL MONETARY FUND

There are four formal complaints outstanding against Czechoslovakia in the IMF as follows:

(a) that in raising the gold content of the Czech crown by nearly 700 per cent in connection with the monetary reform of June 1953 she made an unauthorized change in the par value of her currency without consultation with the Fund

(b) that she is in partial default on interest payments due the Fund

(c) that she has failed to provide the Fund with the Minimum information necessary for the effective discharge of the Fund's duties

(d) that she has failed to consult with the Fund regarding the maintenance of her exchange restrictions.

The complaints at (c) and (d) above have been formulated only in the past two weeks, and relate to the obligations of members under Article VIII, Section 5 of the Agreement and Article XIV, Section 4, respectively. The most substantial complaint is the first, and the second is related thereto, since the Czechs have paid in a sufficient number of Czech crowns to discharge their obligations on the basis of the revised gold content of the crown. Officials of the Czech Embassy in Washington have appeared before the Board of the Fund, and have attempted to deal with the first of the above complaints. They have argued that the change in the par value of the Czech crown is justified under Article IV, Section 5 (e) of the Fund Agreement which reads: "A member may change the par value of its currency without the concurrence of the Fund if the change does not affect the international transactions of the members of the Fund."

The validity of this defence is extremely questionable since it is virtually impossible to conceive of circumstances in which a change in an exchange rate would not have some effect on international transactions.

A Czech Delegation is coming from Prague to meet with the Executive Board on November 4 to discuss the complaints against Czechoslovakia. The United States Director is taking the lead in pressing for a declaration by the Fund that under Article XV, Section 2, of the Agreement, Czechoslovakia has failed to fulfill certain of its obligations, and is therefore ineligible to use the resources of the Fund. His ultimate objective appears to be the expulsion of Czechoslovakia, a result which could flow from action under this Article. We understand that the US Director may be supported by his Latin American colleagues, as well as the Japanese, Australian and Chinese Directors. The Indian Director is likely to oppose action leading towards expulsion, and the United Kingdom is understood to be sympathetic to this view, but anxious to avoid an open split with the United States on the issue.

While fully conscious of the undesirability of condoning breaches of obligations by member countries, more particularly in international financial organizations, such as the Fund, and the Bank, we must also take into account the political implications involved in action at this time to expel Czechoslovakia from the Fund. Theoretically, at least, opportunities exist to influence Czech economic and perhaps political policies while she is a member of the Fund, which would disappear if she were expelled. At a time when there are at least some indications of a more forthcoming attitude on the part of Soviet satellite states, it seems to us undesirable to seek to bring about Czechoslovakia's expulsion, if a reasonable alternative is available. One such alternative would be to declare that the Czech case did not fall under Article IV, Section 5 (e), and that the Fund objected to the change in par value and the failure to consult. In these circumstances, under the provisions of Article IV, Section 6, Czechoslovakia would automatically become ineligible to use the Fund's resources unless otherwise determined, but this would not necessarily be the first step towards expulsion. The Fund could also, of course, formally declare that Czechoslovakia was in default on her obligation to provide information, and consult on the retention of exchange restrictions.

As the meeting with the Czech Delegation is scheduled for November 4, I shall be grateful if you would discuss this question urgently with the Foreign Office, and ascertain the extent to which they think it might be inadvisable for political reasons to support action against Czechoslovakia under Article XV, Section 2.

406. DEA/6000-H-40

Le haut-commissaire au Royaume Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1804 London, October 31, 1953

CONFIDENTIAL. IMPORTANT.

CZECHOSLOVAKIA AND THE IMF

Reference: Your telegram No. 1695 of October 30 [29].

Interdepartmentally agreed instructions were sent to Crick (United Kingdom alternate) late last night after meeting between Treasury, the Bank and the Foreign Office. All three departments share the view that the political argument is compelling in favour of reaching an accommodation which would leave the way open for reconciliation if the Czechs want it either now or in the next few months. The United Kingdom therefore, will argue the case for moderation. (In doing so they may point out that current action by a number of other members does not conform to articles of agreement, e.g. Uruguay and Siam which have no par value.)

Officials here have reason to believe that the State Department shares this view and that it agrees that Czechoslovakia should be given a real opportunity to fall in line.

The United Kingdom Representative in the Fund will recognize, of course, that the Fund has substantial grounds for complaint but he will take a careful attitude towards the relative importance to be attached to them. As we understand the United Kingdom position, they will put at the top of the list Czechoslovakia's failure to consult under Article XIV:4; next, their failure to provide information in accordance with Article VIII:5. With reference to the requirements for consultation, they will also mention Article IV:5(b)[8] without taking a stand on Czechoslovakia's claim that the change in the par value of the Czech Crown is justified under Article IV:5(e). Officials here recognize that a legal interpretation of Article IV:5(e) does not allow of the Czech claim. Crick's instructions, however, are to leave this question in the air and to resist (to the point of probably abstaining if a vote is taken) any move calling for a legal determination against the Czech claim under Article IV:5(e).

Having thus established that the complaints against Czechoslovakia are serious, the United Kingdom will state that there is no alternative but to declare Czechoslovakia ineligible to use the resources of the Fund. As stated above, however, they

[8] L'article IV, section 5 (b), stipule qu'une modification du pair de la monnaie d'un membre ne pourra être faite que sur la proposition de l'État-membre intéressé et seulement après consultation avec le Fonds.
Article IV:5(b) states that a change in the par value of a member's currency may be made only on the proposal of the member and only after consultation with the Fund.

will do so in such a way that the Fund's declaration will not be interpreted as a first step towards Czechoslovakia's expulsion which would thereby be given time to improve on its present behaviour. The United Kingdom have not thought out what their position might be, say in six month's time, if the Czechs do not "improve". They point out, however, that the provisions of Article XV:2(b) are permissive: ". . . member *may* be required to withdraw from membership. . . ."

As for the question of whether or not the Fund should recognize Czechoslovakia's new par value, the United Kingdom feel that a realistic attitude should be taken and that consequently such recognition should be given. In doing so they would not of course condone Czechoslovakia's contravention of the provisions of Article IV:5(b). This position on the part of the United Kingdom appears to us to mean that they would not support recourse to the provisions of Article IV:6 because there would no longer be any "objection" on the part of the Fund towards the new par value. Furthermore, if the United Kingdom accepted recourse to Article IV:6, it might appear that they were agreeing to the fact that the Fund is "entitled to object" to Czechoslovakia's action under Section 5(e) of the same Article.

Note: Above telegram transmitted to Washington, October 31.

407. DEA/6000-H-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2481 Washington, October 31, 1953

CONFIDENTIAL. IMMEDIATE.

POSSIBLE EXPULSION OF CZECHOSLOVAKIA FROM
THE INTERNATIONAL MONETARY FUND

Reference: Your teletype EX-1828 of October 29.[9]

Yesterday afternoon at the State Department, Lepan and Perry[10] called on Corbett, Director of the Office of Finance and Development Policy, to express our doubts about the wisdom of proceeding against Czechoslovakia in the Fund in a way which could lead to its expulsion, and also to enquire whether full consideration had been given to the possible political disadvantages of such a result.

2. We explained that the Canadian authorities were not fully convinced of the wisdom of the procedure under Article XV which the United States executive director has been urging on the Fund, especially since an alternative and milder procedure seemed to be available under Article IV. Undoubtedly the Fund should not disregard or condone serious breaches of the articles of agreement. But at a time

[9] Le document 405./Document 405.
[10] G.N. Perry, conseiller (Commerce), ambassade aux États-Unis.
G.N. Perry, Counsellor (Financial), Embassy in United States.

when the Soviet Union and its satellites were showing at least some superficial signs of a more yielding attitude, it was questionable whether the Fund should be setting in train a procedure which might lead to the expulsion of Czechoslovakia. We wondered whether full weight had been given to these political considerations.

3. In reply, Corbett said that he must disclaim any decision on the part of the United States that Czechoslovakia should be expelled. Expulsion would not follow automatically under XV. It would be within the power of Czechoslovakia to remove the grounds that it had provided for the complaints now lodged against it. After the Fund had determined, in accordance with Article XV, that Czechoslovakia was ineligible to use its resources, some time must lapse before a further determination was made. A decision by the United States whether or not, in its opinion, the further step of expulsion should be taken would depend on the action and attitude of Czechoslovakia in the meantime. All this is no doubt true. However, we thought it significant that when we paraphrased one of Corbett's remarks and asked whether we were to understand him to have said that the United States was not now motivated by a desire to expell Czechoslovakia from the Fund, he demurred and corrected us by saying that no *decision* concerning expulsion had yet been taken by the United States authorities.

4. Finding that we were making little impression on him, we went on to explain that the charges which had been levelled against Czechoslovakia seemed somewhat imprecise and hazy. After considerable discussion, Corbett admitted that they were not all of the same degree of validity. But he claimed that they all had substance and could be supported. Moreover, when taken together, they formed a pattern which showed a deliberate failure to co-operate on the part of Czechoslovakia. The Fund could not countenance such behaviour without doing injury to itself.

5. We also suggested that the way in which the United States case had been handled could hardly fail to arouse suspicions that the objective was Czechoslovakia's expulsion. The last two charges in the indictment had been added long after the first two were introduced; and the United States Executive Director was pressing his colleagues to postpone consideration of the case under Article IV until it had been considered under Article XV. This handling of the case had inevitably led some executive directors to the conclusion that the end towards which United States authorities were working was expulsion. In reply to this, Corbett merely repeated that no decision had been taken about expulsion and that the United States would certainly not interpret a vote by other countries in the Fund rendering Czechoslovakia ineligible to use its resources as tantamount to a vote in favour of expulsion. You will see that none of our efforts to draw Corbett on the United States' real motives in this matter were very successful.

6. Glendinning, Secretary of the National Advisory Council, (which, as you know, determines United States policy in the Bank and the Fund) yesterday had lunch with Lepan and Annis;[11] and he made a few casual remarks about this issue which you may find rather more illuminating than anything we were able to elicit

[11] C.H. Annis, secrétaire (Finances), ambassade aux États-Unis.
C.H. Annis, Financial Secretary, Embassy in United States.

from Corbett. He said, first of all, that he doubted whether anything now could change the United States position on this matter. He also said that the decision to proceed against Czechoslovakia under Article XV had been taken on political grounds, "domestic political grounds". The State Department had been reluctant to face the issue involved, he said, but when confronted with it had found no alternative.

7. When all this is put together, we are still in very considerable uncertainty about the real motives lying behind the United States decision. You will be aware from information which Perry has sent to Rasminsky of various murky charges made by senatorial inquisitors against the part Harry White[12] played in the Bretton Woods negotiations which drew up the articles of agreement of the Fund. These charges conceivably, by some kind of twisted logic, could be related to the question of Czechoslovakia's continued membership in the Fund. On balance, we are inclined to think that pressure of this kind may have chiefly determined the stand which the United States is taking. In any event, it seems clear that little unprejudiced consideration has been given to the international consequences of expelling Czechoslovakia from the Fund; and perhaps the circumstances have been such that an impartial weighing of the disadvantages was hardly possible. From what Glendinning said about the reluctance of the State Department to face the issue, it may perhaps even be inferred that some United States officials are by no means happy about a decision which they have felt obliged to accept.

Note: Above telegram transmitted to London, October 31.

[12] Harry Dexter White, secrétaire adjoint au Trésor des États-Unis, était soupçonné d'activités subversives.
Harry Dexter White, Assistant Secretary of the Treasury of the United States, was suspected of subversive activities.

408. DEA/6000-H-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-1870 Ottawa, November 3, 1953

CONFIDENTIAL. IMPORTANT.

Following for Perry from Rasminsky, Begins: The Ministers concerned have been consulted regarding the complaints against Czechoslovakia in the Fund. Our understanding is that at the Meeting on November 4 discussion will centre on the general non-co-operative attitude of Czechoslovakia rather than on the change in par value. In this discussion, you should be guided by the following instructions:

(1) Czechoslovakia should be given every opportunity to explain her position and to provide the information sought by the Fund under Article VIII and to initiate consultations under Article XIV.

(2) While there would be disadvantages in pressing for or taking steps which would necessitate Czechoslovak exclusion from the Fund, there would be even greater difficulties in adopting a "soft" policy to a Communist State's breach of the Agreement which would bring us into open disagreement with the US. If Czechoslovakia does not give definite indication of co-operating in a reasonable way with the Fund, we should, therefore, support the declaration of ineligibility under Article XV.

(3) In this event we should explain that we hope that Czechoslovakia will correct her default under Articles VIII and XIV of the Fund Agreement so that the question of any further action under XV will not arise.

409. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

CONFIDENTIAL [Ottawa], November 9, 1953

. . .

17. *Complaints against Czechoslovakia in the International Monetary Fund*

Economic Division: Czechoslovakia is being charged in the International Monetary Fund with changing the par value of its currency without consulting the Fund, partial default on interest payments, failure to provide the minimum amount of information to the Fund (Article VIII of the IMF Agreement) and failure to consult the Fund regarding the maintenance of exchange instructions (Article XIV).

At a meeting of the Executive Directors last week a resolution sponsored by the Brazilian Director declaring Czechoslovakia ineligible to use the resources of the

Fund was carried by a vote of 13 in favour and 3 abstentions. This action, which could eventually lead to Czechoslovakia's expulsion, was taken under Article XV on the basis of the failure to fulfil Czech obligations under Articles VIII and XIV. The question of the change in the par value of the Czech crown is still under consideration.

The view of the Canadian Departments concerned was that the Czechs should be given every opportunity to explain their position and to provide the information sought by the Fund and to initiate consultations concerning the imposition of exchange restrictions. . . . Since the position taken by the Czech delegation was not such as to encourage the hope that Czechoslovakia would fulfil its obligations under Article VIII and XIV, the Canadian representative voted for the declaration of ineligibility under Article XV.

. . .

410. DEA/6000-H-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2864 Washington, December 16, 1953

CONFIDENTIAL. IMPORTANT.

CZECHOSLOVAK PAR VALUE AND THE IMF

Following for L. Rasminsky, from Perry, Begins: The executive directors of the fund this morning took the following decision:

Quote

The Government of Czechoslovakia on June 1, 1953 changed the par value of its currency, the Koruna, and subsequently informed the fund that the concurrence of the fund with this change was not required because Czechoslovakia had taken the action in accordance with the provisions of Article IV, section 5(E). Having considered the arguments offered by Czechoslovakia, and such information as was made available, the fund concludes that the change of par value by Czechoslovakia does not come under Article IV, section 5(E).

Unquote

2. This decision was recorded as representing the consensus of opinion within the board. Two directors, Prasad of India and De Largentaye of France were recorded in the minutes as being in disagreement with the decision. Ends.

SECTION C

ORGANISATION DES NATIONS UNIES POUR L'ÉDUCATION, LA SCIENCE ET LA CULTURE, DEUXIÈME SESSION EXTRAORDINAIRE DE LA CONFÉRENCE GÉNÉRALE 1ER JUILLET — 4 JUILLET 1953

UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION, SECOND EXTRAORDINARY SESSION OF THE GENERAL CONFERENCE JULY 1 — JULY 4, 1953

411. **DEA/8508-40**

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

RESTRICTED [Ottawa], June 22, 1953

. . .

5. *Extraordinary Session of UNESCO*

Information Division: An Extraordinary Session of UNESCO will be held in Paris from July 1 to July 4. Its primary purpose will be to elect a new Director-General to succeed Dr. Jaime Torres Bodet, who resigned during the Seventh Session.

After balloting on several nominees for the director-generalship — including Dr. John Humphrey, a Canadian member of the United Nations Secretariat — the Executive Board has nominated Dr. Luther Evans, United States member of the Board. His election virtually is assured. Dr. Evans was not a nominee of the United States Government; he was nominated as an individual after the Executive Board had become deadlocked on several occasions on the choice of a successor to Dr. Torres Bodet.

Mr. Pierre Dupuy, Canadian Ambassador to Italy, will be Chairman of the Canadian delegation. He will be assisted by Mr. René Garneau of the Canadian Embassy in Paris as delegate and Mr. J.C. Langley of the Canadian Embassy in Belgium as secretary.

In addition to appointing a new Director-General, the forthcoming Extraordinary Session will discuss plans for the permanent UNESCO headquarters; the United States loyalty check procedure in reference to United States citizens employed by UNESCO; the status of the Yugoslav member of the Executive Board and the notices of withdrawal from the Organization of Hungary and Czechoslovakia.

. . .

412. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

[Ottawa], July 6, 1953

. . .

2. *Extraordinary Session of UNESCO*

CONFIDENTIAL

Information Division: The Extraordinary Session of the General Conference started on July 1 and ended at noon on July 4, as scheduled. During this three day period the Conference, which was attended by delegations from 58 of UNESCO's 68 Member States, rapidly disposed of an agenda entirely made up of administrative questions. Mr. Luther Evans, US Librarian of Congress and US member of the Executive Board, was elected Director-General of the Organization by 39 votes to 17. His election (for a 6-year term) took place on the first day of the Session, notwithstanding a delaying motion by the Belgians supported by the French. One of Mr. Evans' first tasks will be the appointment of a Deputy Director-General to replace Mr. John W. Taylor of the US, who has served as Acting Director-General since the resignation of Dr. Torres Bodet of Mexico in November, 1952. Mr. Evans has also announced his intention of visiting most Member States before the end of the year. On the proposal of the US delegation, the Conference elected unanimously Mr. John A. Perkins, President of the University of Delaware, to succeed Mr. Evans on the Executive Board, and Mr. Nathaniel Massaquoi, from Liberia, to fill the remainder of the term of Mr. Vladislav Ribnikar of Yugoslavia, who resigned last November over the admission of Spain. Incidentally, a delegation from Yugoslavia attended the Extraordinary Session, confirming our belief that Yugoslavia had decided to retain its connection with the Organization.

The Conference also approved a draft resolution submitted by the Headquarters Committee authorizing the Director-General to proceed with the construction of the Permanent Headquarters on the Place de Fontenoy in Paris, at a cost not to exceed $7,080,000 (construction and equipment). Canada was elected with Greece and Spain as an additional member of the Headquarters Committee.

Finally, the Conference devoted a number of meetings to personnel problems which are mentioned herein below.

3. *Application of US Loyalty Check Procedures to UNESCO*

RESTRICTED

United Nations Division: Consideration was given at the Second Extraordinary Session of the General Conference of UNESCO last week to the application of US loyalty check procedures. There has been much stronger objection amongst the UNESCO staff to the US loyalty check procedures than has been encountered in other Agencies. Two questions were involved: the extent to which the Organization should co-operate in carrying out the procedures and the action to be taken by the

Director-General if adverse information about a US employee is submitted to him by the US Government. On the first question some objection had been made to the distribution by UNESCO of US loyalty check questionnaires to new applicants. The Executive Board had proposed, and the General Conference approved, an arrangement whereby as a prolonged interim measure the Organization would continue to send this questionnaire out with its own application form but would make it clear that it took no responsibility for it and that the completed questionnaire was to be returned to the US Government. On the second question the Director-General had sought the views of the General Conference on the action to be taken if the US Government informed him that US nationals within his employ were likely to be subversive. The General Conference refrained from giving the Acting Director-General specific guidance to be applied in particular cases of this nature but adopted a resolution instead which refers to the resolution of the last General Assembly on this question and "trusts that, subject to the provisions of the Constitution of UNESCO, the policy of UNESCO as regards the obligations and rights of the members of the staff of the Organization will be in accord with that of the United Nations and of the other Specialized Agencies and requests the Director-General to submit to the eighth session of the General Conference a report together with comments of the Executive Board on the measures taken in the light of this resolution and on any action taken by the eighth session of the General Assembly of the United Nations". This action was in accord with the emphasis Canada has placed on the freedom of action of the Director-General on this question and on the importance of maintaining the independence of the Secretariat.

. . .

SECTION D

ORGANISATION MONDIALE DE LA SANTÉ
SIXIÈME ASSEMBLÉE MONDIALE DE LA SANTÉ
5 MAI — 22 MAI 1953
WORLD HEALTH ORGANIZATION
SIXTH WORLD HEALTH ASSEMBLY
MAY 5 — MAY 22, 1953

413. DEA/5475-K-16-40

Extrait du commentaire destiné à servir de guide aux membres de la délégation canadienne à la sixième Assemblée mondiale de la santé

Extract from Commentary for the Guidance of Members of the Canadian Delegation to the Sixth World Health Assembly

CONFIDENTIAL Ottawa, May 1, 1953

General Approach:

When the World Health Organization was established in the summer of 1948 as a permanent Specialized Agency an important step was completed in the concerted

effort of the United Nations to create a firm foundation for carrying out its economic and social responsibilities under Article 55 of the Charter. The Organization was conceived as a worldwide cooperative effort to make knowledge and skills available to those countries needing them for the improvement of their health services. It was also intended to assist in mobilizing resources for the solution of those health problems which lend themselves to international action.

2. In the years since its inception WHO has been exposed to the problems, pressures, stresses and frustrations commonly associated with post-war efforts to develop cooperation through international institutions. It is, therefore, encouraging that the Director-General has been able to report "further advances toward the objective 'the attainment by all peoples of the highest possible level of health'". In the foreword to his Annual Report the Director-General also states that "the Organization has now passed through its formative period. Its general policies and problems and relationships, both internal and external, have been established". On the basis of these successes Dr. Chisholm[13] may not be over-optimistic in suggesting that "the Organization can look to the future with confidence".

3. At the same time the difficulties already surmounted have served to highlight the conditions necessary for future progress. Measured against the tremendous health needs of mankind the progress to date is a mere beginning. Despite the growing recognition of the important place to be allocated to a healthy community as a prerequisite for economic and social well-being, the resources, both of funds and personnel, that are likely to be available in the immediate future are not unlimited. Even though the Organization's regular budget has doubled since 1948 ($4.4 million to almost $9 million) and it has been the recipient of large appropriations under the Expanded Programme of Technical Assistance, available funds are still far below estimated requirements. Competition for trained specialists and skilled technicians is keen. There is a clear and over-riding need for the most resolute concentration of resources on projects and areas likely to produce the greatest and most immediate return for funds and efforts expended. Although the administration has made serious efforts to direct the main energies of the Organization toward under-developed countries, there is still considerable room for further concentration, consolidation and administrative improvement.

4. The Sixth Health Assembly is in a unique position to give clear direction to the new Director-General in planning a sound work programme for the Organization. In seven years, under Dr. Chisholm's leadership, the Organization has acquired much useful experience, as well as a competent and devoted Secretariat. As a result of past efforts, there is a growing recognition among member states of the assistance the Organization can offer toward improvement of the physical health of member nations of the international community and especially of the under-developed countries. In a very real sense the way has been paved for orderly and purposeful progress toward the Organization's main goals, but the favourable start may well be lost if the Assembly does not take steps to encourage and develop even sounder and more effective policies for the future. By establishing a sound basis for

[13] Brock Chisholm, directeur général de l'Organisation mondiale de la santé jusqu'en mai.
Dr. Brock Chisholm, Director-General, World Health Organization until May.

future activities, the Assembly can assure the continuing support of member states. With tangible and lasting results the Organization may, in due course, be able to enlist the increased financial support it considers necessary for the fulfilment of its responsibilities.

5. In considering its general approach to administrative and financial questions in WHO, the Delegation will wish to bear in mind that the total budgets of the United Nations and the Specialized Agencies have increased sharply in recent years and that this fact is causing many member governments to examine carefully the work all of the international agencies are doing, both to ensure that the money is being well spent and to make certain that the budgets do not increase at a rate that is out of proportion to the readiness of member countries to give financial support. It is of interest to note that from a total of $43.4 million in 1947, the combined administrative expenditures of the United Nations and the Specialized Agencies rose to $61 million in 1948; $75 million in 1949; $76.4 million in 1950; an estimated $84.1 million in 1951. In 1952 expenditures ran to an estimated $82.8 million — the first decrease.

6. In addition to these administrative costs which were financed through the regular budgets of the organizations, member states were requested to make *voluntary* contributions to a number of *special* operational programmes established by the General Assembly (Korean Reconstruction, Technical Assistance, Palestine Refugees, International Children's Emergency Fund).

7. Many member states have expressed concern about these growing costs at a time when their resources are already heavily taxed to meet other commitments. Both in parliaments and among the general public there has been a growing recognition of the need for the most careful and judicious allocation of available national resources between the many competing demands. Some United Nations members have even gone so far as to state publicly that, if the costs of international activity continue to increase, they may be forced to withdraw from certain organizations.

8. Recognizing this situation, the United Nations Advisory Committee on Administrative and Budgetary Questions recommended in 1948 that "every endeavour should be made to stabilize expenditure at a level commensurate with the ability of members to pay and to participate at the proper levels in the decisions and the execution of the decisions of the international organizations". More recently the Sixth General Assembly of the United Nations recommended intensification of efforts to stabilize expenditures of the United Nations and all the Specialized Agencies.

9. These developments have been of special interest to the Canadian Government since it has from the beginning given strong support to efforts to develop sound, well conceived programmes in these international organizations and to encourage them to achieve efficient and economic methods of administration. The Canadian Government realizes that just as a fixed amount is not adopted as a continuing estimate for individual government departments year by year, so with international organizations it recognizes that the level of desirable future expenditure is dependent upon a number of unpredictable factors and cannot be determined precisely. What the Government does consider important is the development of a framework within

which orderly progress towards the main objectives can be made by the organization concerned. In view of this the Government advocates a thorough and painstaking examination of the programme and budget of each international organization in the light of the main purposes for which the organization was created and taking into account the readiness of member countries to give it the necessary financial support. It is this last consideration — the willingness of countries to contribute — which has become a major determining factor in setting budget figures within the past two or three years. A number of financially responsible countries in addition to ourselves — United States, United Kingdom, France, Australia and others — have made it clear in meetings of international organizations that they are reluctant at the present time to agree that budgets of international organizations be increased much beyond their existing level. This has been true in WHO as much as in other organizations and the Delegation will undoubtedly find that this is the attitude prevailing amongst the main contributing countries represented at the Sixth World Health Assembly. The objective for 1954 should therefore be to maintain the level of expenditure at a figure as close to that of last year as possible without impairing the effectiveness of the organization.

10. While the particular methods adopted to achieve this objective have varied from agency to agency, they have usually included the following procedures which the Delegation will find of interest in its consideration of the WHO programme and budget:

(a) a searching examination of programmes to ensure that resources are concentrated on the most urgent and productive fields of endeavour; wherever possible, projects of doubtful urgency or secondary importance have been eliminated or reduced in scope;

(b) the elimination of waste and extravagance by a critical examination of budget estimates and by closer supervision over approved expenditures;

(c) organizational and administrative improvements designed to raise efficiency and reduce costs;

(d) better co-ordination of programmes in order to avoid costly overlaps or duplication of effort;

(e) achievement of other operating economies through improved personnel policies and the development of common services.

. . .

Item 6.3 — Expanded Programme of Technical Assistance (Proposed Cooperation with Colombo Plan)

Under Executive Board Resolution EB 11. R 57.4 Rev. 1 of February 3, the suggestion was made that the Director-General should take all possible action to alleviate the financial deficiency of the WHO. The Board asked the Director-General to explore the possibility of some projects being taken over for financing by other organizations or by private foundations. In this connection Mr. H.C. Grant, an official of WHO who visited Ottawa recently, raised this question informally with

Dr. O.J. Leroux[14] and put forward unofficially a proposal for Canada to finance on a temporary basis from the Canadian share of Colombo Plan technical assistance funds, the cost of Canadian personnel engaged on WHO projects in the Colombo Plan area.

This proposal may not be brought up formally at the meeting of the Assembly, in which case the Delegation need not raise it. However, in case it is brought up, or in the event that it is the subject of informal discussions, the following comments may be useful for the guidance of the Delegation.

The proposal appears to offer an opportunity for Canada to give concrete expression to the offer which we have made frequently in general terms to cooperate with the United Nations and the Specialized Agencies wherever possible. Under present legislation and policies Canada could not, however, provide assistance out of Colombo Plan funds direct to the WHO. If the WHO would arrange with the countries concerned to ask Canada to provide them with the services of Canadians engaged on WHO projects in their respective countries, we should be prepared to consider each request on its merits. We should, of course, require full information regarding each project on which an expert is engaged, the precise pay and allowances paid in each case, both by WHO and by the recipient country. We should know whether we are expected to pay return transportation to Canada, and any other details which will be of assistance in considering the application here. If there are substantial differences between the terms of employment under WHO arrangements and those under the Colombo Plan, we would not be able to pay these people on higher scales than we customarily pay under the Colombo Plan. However, the information at our disposal suggests that there would not be much difficulty in making appropriate financial arrangements. We feel that both administrative and financial problems would be reduced if each case were treated separately.

While we should not like to see sound projects which have been carefully prepared by the WHO abandoned for any reason, we do not look upon the present proposal as a "bailing out" operation. From our point of view, it is only incidental that the WHO is asking for assistance because they are short of funds. If they have over-budgeted this year, and if they do so again, they should not feel that they can expect financial assistance from us. We are willing to consider the present proposal largely because it offers us an opportunity to consider implementing, under our own arrangements, projects which have had the benefit of prior consideration by a technically-competent body, and for which the benefiting governments may request assistance from Canada. We would regard this arrangement as an opportunity to provide aid to the countries concerned rather than as assistance given to WHO to relieve it of its financial problems.

[14] Directeur adjoint, Service de la santé nationale, ministère de la Santé nationale et du Bien-être social; président du Comité des programmes et du budget, sixième Assemblée mondiale de la santé. Assistant Director, National Health Services, Department of National Health and Welfare; Chairman, Committee of Programme and Budget, 6th World Health Assembly.

Item 6.3 — Expaned Programme of Technical Assistance (general)

In his report to the Executive Board (EB11/65 Rev. 1 of 16 January, 1953) the Director-General draws attention to the "striking progress in the rate of growth of WHO's part in the Expanded Technical Assistance Programme". At the same time he refers to the difficulties faced by the Organization in its efforts to plan a long-term programme and negotiate agreements with participating governments. He also comments on and, (inferentially), criticizes the procedures established by the Economic and Social Council (and the Technical Assistance Board) for overall coordination and integration of the Technical Assistance Programme.

While the Director-General's observations are developed in considerable detail and raise a number of technical and other problems peculiar to the World Health Organization, they are mainly concerned with the following broad policies affecting the review, supervision and financing of the Expanded Programme.

Review and Supervision

The Director-General

(a) indicates disagreement with the criteria applied by the Technical Assistance Board in establishing the priority classification of projects submitted for approval; and

(b) expresses reservations on the procedures developed by the Economic and Social Council for coordinating projects and for achieving integration and balance in the Expanded Programme. In particular he observes that "the reorganization tends to strengthen the centralization and operation of the programme and, to that extent, introduces complexities and, to some degree, limits the freedom of choice and action of the participating organizations". He also observes that "it would be quite impractical to interpose the resident Technical Assistance representatives in their contacts with the health ministries".

Financing

The Director-General

(c) indicates that available resources for 1953 will not be sufficient to allow WHO to complete its programme and fulfil its commitments to various governments; and

(d) registers objections to the "lump sum (Biddle) formula" for sharing local costs which has been approved by the Economic and Social Council.

After reviewing the experience of the World Health Organization under each of these headings the Director-General indicates the changes he would consider desirable to meet the World Health Organization's requirements.

Most of the recommendations of the Director-General were endorsed by the Executive Board at its Eleventh Session.

It seems clear that the observations and recommendations of the Director-General (as well as the Executive Board) may be attributed to a genuine desire to press forward vigorously and resolutely with the Organization's campaign against disease and its programme for the betterment of health. Viewed in this light, the efforts as well as the motives, of the Director-General and the Executive Board are to

be commended. At the same time, as indicated above, the World Health Organization, like the other Specialized Agencies, is part of the United Nations system. Its interests cannot be separated from those of the other agencies. Rather it must assist in furthering the main aims of the Programme as a whole. To this end WHO should offer full cooperation in developing and improving the machinery and procedures for integration, coordination and the priority allocation of resources. It must also base its long-term plans on a realistic assessment of its probable financial resources. Any failure to take account of the considered decisions of the Economic and Social Council or to exert undue "pressure" on member governments to make expenditures beyond what they consider appropriate must in the long-run tend to undermine confidence, and could easily jeopardize future financial support.

The following paragraphs analyze each of the problems confronting the World Health Organization and suggest a suitable approach for the Canadian Delegation in the event that they are the subject of detailed discussion at the World Health Assembly:

Review and Supervision

(a) The decision of the Economic and Social Council to appoint a Permanent Chairman to the Technical Assistance Board and provide for resident technical assistance representatives in the main regions receiving aid reflected a general desire for "strong central leadership and more continuous central guidance". The Canadian Representative expressed the view that the new arrangements would help to improve the Programme's efficiency and suggested "that final judgment should be withheld until more experience had been gained".

The World Health Organization should be encouraged to report any difficulties it is experiencing in the conduct of its technical assistance activities, so as to enable the Technical Assistance Board and the Economic and Social Council to meet legitimate complaints and effect necessary improvements. The investigation and elimination of specific sources of friction or disagreement should contribute to the evolution of sound relationships and higher administrative and technical efficiency.

The ultimate goal should be the development of machinery, procedures and standards which will

(i) give recipient governments an opportunity to give a clear indication of their immediate requirements and long-term objectives;

(ii) take full advantage of the technical competence of the agencies in planning and evaluating projects in their specific fields, while

(iii) reposing sufficient authority in the Technical Assistance Board for equitable and orderly allocation of resources and effective coordination of the overall programme.

Financing the 1953 Programme

(b) As indicated above, it would be inappropriate to finance additional technical assistance activities through the regular budget of the World Health Organization, supplementary appropriations or the Working Capital Fund. However, there would be no objection to efforts to obtain the co-operation of other international or intergovernmental agencies provided that these arrangements are mutually agreed upon.

For instance, there would be no objection to governments in South East Asia seeking assistance through the Colombo Plan for completion of projects prepared with the cooperation of the World Health Organization. Indeed, from the point of view of Canada's Colombo Plan operations, the assistance of the World Health Organization in planning and determining the value of health projects would be welcome. If a benefitting government were to seek assistance in completing a project (or part of a project) which has been planned or is in the process of implementation by a specialized agency, Canada would be willing to give sympathetic consideration to the project. In cases of this kind the recommendations of the World Health Organization should be helpful in ensuring that the project is as sound (and perhaps better) than could have been planned out of Canadian experience or by the limited Canadian personnel in the area.

Projects of this kind should be considered as an integral part of the Colombo Plan operation, to be undertaken on the request of the recipient government. Participation by the World Health Organization would merely represent a convenient means for utilizing the technical competence of that agency, where its own resources are not adequate to finance the project.

It is, however, important to ensure that the WHO does not look upon these external sources of funds as a means for circumventing the controls and supervision which member governments hope to maintain on technical assistance projects in general. In particular, the Organization should not deliberately enter into excessive commitments in the hope that recipient governments will thereby be inclined to exert pressure on member governments for provision of funds to finance projects of doubtful priority.

Sharing of Local Costs

(c) The formula for sharing local costs is a compromise worked out after the most careful consideration in the Technical Assistance Committee, the Economic and Social Council and the Technical Assistance Board. Full account has been taken of the views of the main contributors, recipient governments and the specialized agencies.

While the new procedures may not be entirely satisfactory to the World Health Organization, the Organization should be willing to give them a fair trial for the next financial period. If the experience during this period is unsatisfactory, it would then be possible to call for a further review and seek appropriate adjustments in the procedures and formula for sharing costs.

. . .

Item 6.4 — Review and Approval of the 1954 Programme and Budget

The programme submitted by the Director-General (and approved by the Executive Board) calls for an effective working budget of $8,547,202 to be financed as follows (1953 figures are shown for purposes of comparison):

	1953 US $	1954 US $
Total budget	9,832,754	9,930,000
Less: Casual income	852,554	850,000
Gross Assessments	8,980,000	9,080,000
Less: Assessments on inactive Members	1,342,871	1,357,798
Assessments on active Members	7,637,329	7,722,202
Add: Casual income	852,554	850,000
	8,489,883	8,572,202
Less: Special Fund for Extra Costs of Organizational Meetings		25,000
Effective Working Budget	8,489,883	8,547,202

The Director-General has pointed out that the 1954 Budget is only "slightly higher than that of the preceding year" and has intimated that he would have pressed for higher appropriations if he had not expected "that increased resources will be available through the United Nations Technical Assistance Programme and UNICEF allocations for health programmes". He states that "should this assistance fail to materialize it will be necessary to ask the Health Assembly for a supplementary budget for 1954 to enable WHO to meet the urgent needs of governments".

While the Director-General is to be commended for his personal energy and the enthusiasm imparted to the Secretariat in seeking to advance the objectives of the Organization, it is necessary to caution against financial policies which do not carry the support of the main contributors.

The decision of the General Assembly to urge the specialized agencies to "stabilize" expenditures was not borne out of parsimony or quixotic adherence to an abstract "principle". On the contrary, it expressed the clear and genuine desire of the vast majority of member states for a halt in the upward trend in Agency expenditures during a period of general financial stringency and heavy competing demands. Similarly, the pledges to the Expanded Programme of Technical Assistance established a clear upper limit on the amounts member states are prepared to make available for (UN) technical assistance during the next financial period.

It is to be hoped that the future will bring sufficient improvement in the financial circumstances of most UN members to allow increased allocations to international activities in general and to the WHO in particular. However, in the interim, the World Health Organization (like all the other specialized agencies) must co-operate fully in giving effect to the clearly expressed wishes of most of its member states in current decisions of the General Assembly or other United Nations organs. It would be equally wrong for the WHO to ignore the General Assembly's exhortation for a "stabilized" budget or to seek to circumvent the decisions of the Technical Assistance Conference by requesting supplementary appropriations for technical assistance through the regular budget of the WHO.

In an effort to develop a common budgetary approach, pre-Assembly consultations have been held between the Governments of the United States, United Kingdom and Canada. In these discussions the United States indicated that it was anxious to limit gross assessments to $9 million in order to keep its contribution within the ceiling of $3 million fixed by Congress. (The United States contribution is set at one-third of gross assessments.) Originally the United Kingdom expressed a desire to reduce its overall financial commitment and suggested that the 1954 budget should be reduced to the 1952 level of expenditures. After doubts had been expressed on the desirability (and feasibility) of securing so large a reduction, it was agreed that efforts should be made to "stabilize" the 1954 appropriations at an "effective" level not higher than that provided for 1953, i.e. $8.49 million.

Even though "stabilization" at this level would require absorption of automatic salary increments, it has been agreed that this could be achieved without interfering with any *essential* activity already under way or contemplated. At the same time it is considered that the search for economies (to absorb the salary increments) will exert a useful compulsion to administrative reforms and programme improvement.

While there is general agreement on an "effective" budget of $8.49 million for 1954, some differences still persist on the exact figure for gross assessments to provide for this level of expenditures. As indicated above, the special circumstances of the United Kingdom may cause it to press for a somewhat lower ceiling than the United States. A further complication may also be introduced if the United States continues to press a proposal to allow China to resume participation in the WHO on the basis of a "token" contribution. (See article on Item 7.5.2).

However, despite this slight divergency in approach, it seems likely that the United Kingdom and United States will be able to reconcile their differences and join in supporting gross assessments not exceeding $9 million for 1954. The Canadian Delegation should co-operate fully in review of the programme and the estimates and support a gross budget for 1954 at or near this level.

. . .

Item 7.3.4 — Rules and Criteria for Assignment of Countries to Regions

Under the WHO Constitution (Article 44) the Health Assembly was charged with the responsibility of defining the geographical areas in which it was desirable to establish regional organizations. The First Health Assembly established the present six regions: Africa, the Americas, Southeast Asia, Europe, East Mediterranean, Western Pacific. The method employed for defining each region was not uniform, e.g. region of the Americas was defined as including the continents concerned, while with the East Mediterranean region the method was to enumerate the states involved. In this latter process certain political considerations were taken into account, in addition to the realities of purely geographical frontiers. Thus, for example, Pakistan at its own request was assigned to the East Mediterranean region, while Afghanistan, which is closer to the East Mediterranean area than are some portions of Pakistan, was nevertheless assigned to Southeast Asia. During subsequent Health Assemblies assignment of states to regions and, in some cases, reassignment from one region to another took place.

The Fifth Assembly decided that it was necessary to determine basic rules and criteria for the assignment of member countries to regions. For this purpose a list of criteria was prepared and sent to all member countries for comment. In the light of the comments it had received and the study it gave to this question, the Executive Board at its Eleventh Session drew up two draft resolutions for the consideration of the Sixth Health Assembly. The first resolution stipulates that in assignment to regions the wishes of the appropriate sovereign authority of the state or territory shall be paramount. It then lists considerations which such an authority should take into account before stating its wishes. The second draft resolution would resolve that certain criteria be considered in the assignment of territories to regions and of these criteria the wish of the appropriate sovereign authority is placed first.

The views of the Canadian Government on the principle involved in this question were put on record in a letter of November 13, 1952, to the Director-General of WHO. The substantive paragraph of this letter was as follows:

"Although the Canadian authorities recognize the importance of the points included in the plan set out on page 3 of your circular letter, I have the honour to suggest that these matters are better judged by the government of the country concerned or, in the case of a territory not having responsibility for its international relations, by the government of the country responsible for those relations. It is the view of the Canadian authorities, therefore, that the preference of the government of a country, or the government responsible for the international relations of a territory, taken in the light of the criteria suggested in categories (a) to (g) in the closing portion of your letter, should be the determining factor when a country or territory is assigned to a region. It is understood, however, that any assignment to a region will be subject to the overriding consideration that such assignment is administratively practicable from the point of view of WHO."

In keeping with this position and with the attitude of the Canadian Delegation at previous Assemblies, the Delegation should support the first of the two resolutions proposed by the Executive Board.

Apart from the principle involved, there is certain to be discussion at the Sixth Health Assembly of assignment to geographical areas of Morocco and Tunisia and of the French départements of Algeria. Assuming that the protectorate of Spanish Morocco is admitted to associate membership, it is probable that there will also be discussion relating to the region to which it should be assigned. At the Fifth Health Assembly there was extended discussion of this question. The representatives of Tunisia and Morocco who attended the Assembly with the approval of the French authorities said that they were anxious to have the two territories assigned to the European region. The countries of the Eastern Mediterranean region were successful, however, in having action in this direction delayed and in calling for the procurement of opinions from member states. The Canadian Delegation did not support this resolution since it was of the opinion that the request of France and of the representatives of the two territories themselves that Tunisia and Morocco be assigned to the European region should be approved.

The Delegation should take the same position this year on this question but in so doing should emphasize two points. The first is that it places considerable emphasis

on assignment of territories to regions in keeping with convenience and effectiveness of administrative operations. This point was mentioned in the letter to the Director-General of November 13, 1952, but might well be stressed again at the Assembly.

. . .

Item 15 — Report on Organizational Study Relating to Regionalization

Under this item some question may arise about Canada's relationship to the Regional Committee for the Americas. Under an agreement approved by the Second Health Assembly, the Directing Council of the Pan-American Sanitary Organization, with headquarters in Washington, serves also as a regional committee for WHO. In view of the fact that Canada is not a member of PASO and has not associated itself with the work of PASO in its capacity as a regional office of WHO, the Delegation should not make any criticism of the administration or financial arrangements which prevail. In private discussions it would be in order for members of the Delegation to express their interest in seeing the operations of PASO become more fully integrated with WHO as was envisaged by Article 54 of the WHO Constitution.

On various occasions in the past several years, the Director of PASO, Dr. F.L. Soper, has suggested in conversations or informal exchanges of correspondence with Canadian Government officials that Canada should consider joining the Organization. His latest proposal is that Canada would participate in the activities of PASO, making a contribution to PASO's budget and would have full voting privileges on all matters except the Constitution of PASO and the relations of PASO with the Organization of American States and with the World Health Organization. It is on this basis that France, the Netherlands and the United Kingdom participate in PASO meetings on behalf of their dependent territories in this region.

There is some doubt on the part of government officials concerned about the advisability of recommending that Canada should participate in PASO on the basis proposed by the Director. Furthermore, we understand it is the opinion of the Secretariat that if Canada became a member of PASO on this basis it would strengthen the independence and separation of PASO from WHO. The Secretariat hopes that with the nomination of a Latin-American as Director-General of WHO, and with the expiry in two years of the contract of the Director of PASO, there may be a possibility of developing a closer integration between PASO and WHO. The Secretariat would not like to see Canada take any action which would decrease the pressure for further integration.

It is recognized that there would be some value in Canada participating in PASO discussions as a means of exercising some control on the expenditure of WHO funds in the Region of the Americas. In the past Canada has felt that PASO budget proposals for this Region were somewhat excessive but Canadian Delegations have not been in a strong position to quarrel with the amount or nature of the expenditure. In addition, there may be some moral obligation for Canada to help develop in this way a well organized and effective regional organization for the area to which it belongs. From the medical standpoint Canada does not stand to benefit to any extent from participation in PASO but there is no doubt that this would provide an

added opportunity to help shape and to guide technical assistance programmes in the medical field which are carried out for the benefit of Latin-America.

An additional argument in the past against the suggestion that Canada join PASO has been the Canadian policy of avoiding closer associations with Pan-American organizations in general. This policy is now under extensive review and Canada's relationship with PASO is being considered in respect of its significance in the broad question of the Canadian attitude toward Pan-American affairs.

With these considerations in mind, the officials with whom Dr. Soper has spoken or corresponded in the past have informed him that they are giving careful attention to his proposals but that they are not in a position to give him any definite reply at this stage. The Delegation should avoid making any public statement on this question other than, if necessary, to express its interest in the work PASO does as a regional committee of WHO and to re-affirm Canada's desire to see closer integration between PASO and WHO.

Item 16 — Appointment of Director-General and Approval of his Contract

At the 11th session of the Executive Board at a secret meeting and by secret ballot, the Board nominated Dr. M.G. Candau of Brazil to succeed Dr. Chisholm as Director-General in accordance with Article 31 of the Constitution.

Subsequently the Chairman of the Board, Dr. Jafar, who was himself a candidate up until the final ballot, questioned the procedure adopted by the Secretariat in issuing a resolution announcing the nomination of Dr. Candau. While no formal resolution was in fact put to the Board at the meeting, a resolution was prepared by the Secretariat and presented to the rapporteurs of the Board to the Assembly for initialling at the final meeting of the session. This practice had been followed by the Board many times, but it was this procedure which Dr. Jafar questioned.

On learning of Dr. Jafar's protest, the Director-General immediately circulated members of the Board to find out if they approved of the procedure followed. To date 14 members have indicated their approval. However, the information given to the Canadian Permanent Delegation in Geneva in strictest confidence, is that Dr. Jafar is continuing to be difficult on this point and is proposing to raise the question at the Assembly. Since Dr. Jafar is not questioning the decision but rather the procedure by which the decision was recorded, his motives are not clear. However, a special meeting of the Executive Board immediately before or during the Assembly to formally approve Dr. Candau's nomination, is a possibility.

So far as can be learned Dr. Candau is eminently qualified and highly suited for the post of Director-General and was supported by the Canadian member of the Executive Board. The Delegation should support whatever action appears necessary to secure acceptance of the nomination by the Assembly.

. . .

Item 7.5.2 — Assessment of China

At the Fifth World Health Assembly consideration was given to a request from the Republic of China that its assessment be reduced in proportion to its current ability to pay and that in this way it be allowed to continue its participation in WHO. The Fifth Assembly passed this question to the Executive Board. At its

Eleventh Session the Executive Board expressed the view that a plan should be developed to enable China to resume active participation in the Organization. It recognized that an adjustment could be made either by altering the scale of assessment or by accepting a reduced payment for the amount China owed. It favoured the latter course and has submitted to the Sixth Assembly a proposed resolution whereby a token payment of $15,000 would be accepted in settlement of arrears for the year 1948 and the balance of arrears would be settled later.

2. Similar proposals for settling China's debts have been raised in UNESCO, ILO and the International Hydrographic Bureau. In UNESCO, the General Conference decided in 1951 to postpone decision on this question and meanwhile to permit the representatives of Nationalist China to continue to participate in the Organization. In ILO last year China requested permission to continue to vote despite its excessive arrears. The General Conference of ILO adopted a resolution in which it recognized that China's failure to pay was due to conditions beyond China's control and therefore granted permission to China to participate in ILO affairs. In the International Hydrographic Bureau a vote was taken on a proposal to permit China to continue to participate in the work of the Bureau despite its outstanding arrears. This proposal was carried. In all three of these bodies the United States was in favour, the United Kingdom was against and Canada abstained.

3. In the resolution passed by UNESCO the Organization decided to take into account the action taken by the United Nations. In actual practice, China has not allowed itself to get sufficiently in arrears in the United Nations that consideration of the problem has been necessary. The United Kingdom view on these occasions — and the United Kingdom brief for the Sixth Health Assembly takes the same position — was that token payments should be opposed both on principle and because they created a bad precedent in United Nations Agencies in general.

4. The Canadian Government is likewise reluctant to see the principle established whereby member countries will be permitted to clear off their debts by making a token payment. However genuine is China's financial distress, the precedent could lead very quickly to appeals from other countries for reduction of debts on a similar basis.

5. Since the United States is strongly in favour of an adjustment to permit China to continue its participation and the United Kingdom is opposed, the Delegation should content itself with abstaining on this question. Canadian representatives at other conferences have abstained, not only for the reasons given above but also because of our disinclination to take any stand which would appear to strengthen the claim of the Nationalist Government to be the legitimate representative of the Chinese people.

. . .

L.D. WILGRESS

414. DEA/5475-K-16-40

Extraits de la circulaire Document nº A. 95/53

Extracts from Circular Document No. A. 95/53

CONFIDENTIAL Ottawa, September 22, 1953

REPORT OF THE CANADIAN DELEGATION TO THE SIXTH WORLD HEALTH ASSEMBLY HELD AT GENEVA, MAY 5 – 22, 1953

. . .

I. *Structure of the Sixth World Health Assembly*

The Sixth World Health Assembly was held at the Palais des Nations, Geneva, from May 5 to May 22, 1953. It was attended by the delegations of sixty-five Member States, including Nepal, which became an active Member during the course of the Assembly, and four Associate Members, including the Spanish Zone of Morocco, which was admitted to Associate Membership during the Assembly, as well as observers of other international organizations. A full list of the foregoing and of Members who did not attend will be found in Annex I.† Representatives of the Government of Nationalist China were also in attendance although they did not arrive until two or three days before the end of the Assembly. The nine states of Eastern and Southeastern Europe — which had notified the Organization of their withdrawal at various dates during 1949 and 1950 — did not attend.

2. The Canadian Delegation was composed of the following:

Chief Delegate	Dr. G.D.W. Cameron, Deputy Minister of National Health, Department of National Health & Welfare, Ottawa
Delegates:	Dr. O. Leroux, Assistant Director of National Health Services, Department of National Health & Welfare, Ottawa Dr. Donald Smith, M.P., Ottawa
Alternate Delegates:	Dr. M.R. Elliott, Deputy Minister of Health, Department of Health of the Province of Manitoba, Winnipeg Mr. B.M. Williams Deputy Permanent Delegate, Canadian Permanent Delegation to the European Office of the United Nations, Geneva

. . .

4. Dr. M. Khater, Minister of Health of Syria, succeeded Dr. Juan Salcedo, Secretary of Health for the Philippines, as President of the Assembly. The Vice-Presidents were: Dr. S. Andwar (Indonesia) Dr. R.C. Bustamante (El Salvador) and Dr. Melville Mackenzie (United Kingdom).

5. In addition to the President, the Vice-Presidents and the Chairman of the two main Committees, the General Committee included:

Dr. Felix Hurtado (Cuba)
Professor Jacques Parisot (France)
Dr. Jusef Bauji (Lebanon)
Dr. C. van den Berg (The Netherlands)
Dr. M. Jafar (Pakistan)
Dr. Juan Salcedo (Philippines)
Dr. J.J. du Pré le Roux (Union of South Africa)
Dr. L.A. Scheele (United States of America)
Dr. Andrija Stampar (Yugoslavia)

6. The Committee on Credentials was composed of the following countries: Afghanistan, Cambodia, Canada, Ceylon, Denmark, Indonesia, Iran, Jordan, Libya, Luxembourg, Monaco, and Spain. Dr. O. Leroux was appointed the Canadian representative to this Committee and, at its first meeting, was elected Chairman.

7. The Nominations Committee consisted of representatives from the following countries: Australia, Cuba, France, Guatemala, Iceland, India, Ireland, Italy, Lebanon, Liberia, The Netherlands, Philippines, El Salvador, Sweden, Syria, Thailand, United States of America, and Venezuela.

8. Following the usual practice, two main Committees were established: a) the Committee on Programme and Budget; and b) the Committee on Administration, Finance and Legal Matters. The precise terms of reference of these Committees were as follows:

Committee on Programme and Budget

(1) review the Annual Report of the Director-General;

(2) consider whether the annual programme follows the general programme of work for 1953-1956;

(3) recommend the budgetary ceiling for 1954, after examination of the main features of the programme;

(4) review and recommend the programme and budget for 1954 including the amounts to be devoted to each section of the total budget; and

(5) study such other items as are referred to it by the Health Assembly.

Committee on Administration, Finance and Legal Matters

(1) review the financial position of the Organization, including

(a) the Financial Report and the Report of the External Auditor,

(b) the status of contributions,

(c) the status of the Working Capital Fund, Assembly Suspense Account, Publications Revolving Fund and any other funds which have a bearing on the financial position of the Organization;

(2) determine the scale of assessments for 1954;

(3) review the parts of the budget for 1954 dealing with organizational meetings and administrative services and report thereon to the Committee on Programme and Budget; and

(4) study such other items as are referred to it by the Health Assembly.

The Health Assembly agreed that, when the Programme and Budget Committee was considering the budgetary ceiling for 1954, the Committee on Administration, Finance and Legal Matters would not meet. This procedure was followed to permit all members of delegations to attend the discussion of the budgetary ceiling.

9. The officers of the two main Committees were as follows:

Committee on Programme and Budget

Chairman:
Dr. O. Leroux (Canada)
Vice-Chairman:
Dr. A.G. Engel (Sweden)
Rapporteur:
Dr. O. Vargas-Mendez (Costa Rica)

Committee on Administration, Finance and Legal Matters

Chairman:
Mr. R.J. Brady (Ireland)
Vice-Chairman:
Mr. L.A.D. Geeraerts (Belgium)
Rapporteur:
Dr. Anwar Hashem (Saudi Arabia)

. . .

Nomination of a Director-General

22. At a private plenary meeting of the Health Assembly, held on May 11, the nomination by the Executive Board of Dr. Marcolino Gomez Candau, as Director-General of the World Health Organization, was approved; the voting was forty-three in favour and sixteen against.

23. Prior to the holding of this private plenary session, there were stories circulating that the United Kingdom Delegation was determined to upset the nomination of Dr. Candau. The person nominated by the United Kingdom to represent it on the Executive Board had supported, in the Executive Board proceedings, the candidature of Dr. Jafar of Pakistan. Although individual members of the United Kingdom Delegation took every opportunity — after the approval of Dr. Candau's nomination by the Health Assembly — to dispel any suggestion that they had lobbied against his nomination, it would be fair to say that they did attempt to give the impression that Dr. Candau was not sufficiently well known, internationally, in the public health field to assume the appointment of Director-General.

24. As a matter of interest, the Foreign Office of the United Kingdom despatched letters to certain Member Governments in which they expressed the view that Dr. Candau was not sufficiently well known to them to justify their supporting his nomination.

25. From information given to various members of the Canadian Delegation, it would appear that the Indian Delegation, as well as that of New Zealand, supported the nomination of Dr. Candau. The Australian and South African Delegations, along with that of the United Kingdom, voted against his nomination.

26. At a public plenary session of the Health Assembly held on the same day, the contract of the new Director-General was approved, under which his salary and allowances will commence on his departure from his current place of residence for

Geneva, any time after June 15, 1953. Under the provisions of this resolution, the President of the Sixth World Health Assembly has been authorized to sign the contract on behalf of the Organization.

. . .

III. *Questions relating to the Regional Structure of the Organization*

A. *Regionalization*

31. It will be recalled that the Fifth World Health Assembly requested the Executive Board to undertake a study of regionalization. At the eleventh session of the Executive Board a study, prepared by the Secretariat, was reviewed and a resolution (EB11.R.50), composed of three parts, was submitted to the Health Assembly for its consideration.

32. The Executive Board resolution was not discussed in detail by the Committee on Administration, Finance and Legal Matters, nor were the principles contained in it given any searching review. It was apparent that most members of the Health Assembly were satisfied with the regional structure of the World Health Organization and the functioning of its Regional Offices. An attempt by the United States Delegation to have the Health Assembly merely *note* the expression by the Executive Board of its satisfaction with the regionalization of the Organization was lost by a vote of nineteen in favour (including Canada), nineteen against and four abstentions. As a result of this vote the Health Assembly went on record as expressing its satisfaction with the regional structure of the WHO.

33. Two parts of Resolution EB11.R.50 (Parts II and III) were referred to the Regional Committees for consideration and reports. These resolutions relate to the reimbursement of Member States and Associate Members for the actual travelling expenses of one representative to not more than one session of the Regional Committees, and the holding of sessions of the Regional Committees at centres other than the Regional Headquarters. The Canadian Delegation supported the proposal that these parts of Resolution EB11.R.50 be first considered by the Regional Committees.

B. *Assignment to Regions*

34. The Executive Board, at its twelfth session, considered a study made by the Director-General in pursuance of Resolution WHA.5.43 on the rules and criteria to be adopted to determine assignment of territories to geographical areas established in conformity with Article 44 of the Constitution. The Executive Board was not able to come to any agreement on this matter, principally because of the question as to whether the wishes of the appropriate sovereign authority of a state or territory concerned should be paramount. As a consequence, the Executive Board submitted, for the consideration of the Health Assembly, two draft resolutions; one in which the wishes of the appropriate sovereign authority were paramount and the other which merely listed the wishes of the appropriate sovereign authority as one of the criteria which should be considered in the assignment of any territory to a geographical region.

35. During the discussion of this question in the Committee on Administration, Finance and Legal Matters the technical aspects of the problem were somewhat

blurred by political considerations. The delegate for Argentina questioned the right of the United Kingdom to suggest the assignment of the Falkland Islands to the Region of the Americas, while the delegate of Iran claimed that his government considered that Bahrein is an integral part of Iran and should not, therefore, be considered as a territory for assignment to a Region. The delegate for Iraq stated that his government did not recognize any form of foreign sovereignty over the Bahrein Islands, which are considered by the Iraqi Government as independent territories of the Eastern Mediterranean Region. The delegate for the United Kingdom, in replying to these statements, said that "Her Majesty's Government does not accept the statement of the Delegation of Argentina as regards the Falkland Islands and the Falkland Islands dependencies, and further that Her Majesty's Government are responsible for the conduct of the international relations of the Falkland Islands and the Falkland Islands dependencies". He also stated that "Her Majesty's Government did not accept the statements of the delegates of Iran and Iraq concerning Bahrein". In addition to these sovereignty problems, the consideration of this matter was made more complex by the desire of the French Delegation to ensure that Tunisia and the French Zone of Morocco were assigned to the European Region, while the Spanish delegate was anxious to secure approval for the assigning of the Spanish Zone of Morocco to the African Region.

36. After a long and at times discursive debate, the Committee on Administration, Finance and Legal Matters approved a resolution by which the establishment of rules and criteria to be applied for the purposes of determining the geographical areas to which territories should be assigned should be deferred until the results of studies being undertaken by the United Nations and other Specialized Agencies have become known. In the meantime, however, it was agreed that the assignment of Member States, Associate Members or territories should be decided upon by the World Health Assembly on the lines hitherto adopted. The Director-General was also asked to continue to study the possible redelineation of geographical areas. Following upon this decision the Committee on Administration, Finance and Legal Matters then approved the assignment of countries or territories, as listed in Document A6/33, without prejudice to any questions regarding sovereignty and on the understanding that they would be provisionally assigned to the regions indicated in this document.

37. It should be noted that the decision to defer final action pending the completion of the United Nations study was approved by forty-seven in favour (including Canada, New Zealand, India, Pakistan and the United States of America), with three against (the United Kingdom, Australia and the Union of South Africa) and six abstentions. The provisional assignment of Member States, Associate Members and territories as listed in A6/33 was approved by thirty-seven in favour (including Canada, France and the United States of America), six against (including Australia and the United Kingdom), and nine abstentions.

38. Although the decisions on this matter were not entirely satisfactory to all delegations, they did, to a very considerable extent, reflect a degree of unanimity. They, at least, should result in the Health Assembly next year not being faced with having to reconsider the matter. The French Delegation was particularly satisfied with the outcome since the assignment of Tunisia and the French Zone of Morocco

to the European Region was confirmed, even if only provisionally. The Spanish Zone of Morocco was assigned to the African Region, again on a provisional basis.

. . .

D. *Committee on Programme and Budget*

General

54. The Committee on Programme and Budget completed its work in an expeditious and efficient manner. To a very considerable degree this was due to the Chairman of the Committee, Dr. O. Leroux, who insisted on the members of the Committee confining their remarks solely to the item under discussion. In addition, the prior agreement between a considerable number of delegations as to the budget ceiling for 1954 contributed immeasurably to the limited discussion of the budget proposals.

Review of Work during 1952

55. The first two meetings of the Committee were devoted to a review of the work of the Organization during 1952 (Official Record No. 45†).

. . .

Review and Approval of the Programme and Budget Estimates for 1954

58. The debate on the Programme and Budget Estimates for 1954 and the determination of the budgetary ceiling for the same year, was brief but nonetheless satisfactory in the sense that the gross assessment budget recommended by the Director-General in the amount of $9,930,000 was reduced to $8,963,000. The proposed effective Working Budget of $8,547,202, as recommended by the Director-General, for the same year was reduced to $8,497,700.

59. Prior to the opening of the Health Assembly the Director-General was aware of the concern of the major contributors to the Organization that some reduction should be made in his budget proposals. He was genuinely anxious to achieve a budget level which might meet with unanimous approval. At the same time *he was unwilling to admit the principle of "stabilization"* or to be put in the position of himself recommending budgetary reductions in a budget which he had submitted to the Executive Board in January and which had been approved by the Executive Board with only the representatives nominated by the United Kingdom and Canada withholding approval.

60. During the three days which the Health Assembly devoted to technical discussions, representatives of the delegations of Australia, Canada, South Africa, the United Kingdom and the United States of America met with the Assistant Director-General responsible for financial and administrative questions, to discuss the means by which the budget could be reduced to a level acceptable to these delegations while, at the same time, not compromising the Director-General's position. After a series of meetings, it was agreed that the budget could be reduced to the levels indicated above by deleting the $25,000 provided for under Appropriations Section 9 "Special Fund for Extra Costs of Organizational Meetings". It was agreed, however, that if the Sixth World Health Assembly should approve the principle that a sum in this amount should be set aside each year, the fund should be established by authorizing the use of savings from the 1953 budget up to a maximum of $25,000.

It was also agreed that casual income might be increased from $850,000 to $875,000 by transferring $25,000 from the Assembly Suspense Account, which had been originally earmarked for the Building Fund. The representative of the Director-General stated that the Building Fund no longer required this appropriation. It was also decided, in consultation with the representative of the Director-General, to invite Dr. Chisholm to reduce by $50,000 the estimated costs at the headquarters of the Organization. These proposals were subsequently made known to other delegations interested in holding the budget ceiling at a reasonable level in order to ensure the widest support possible for them in the Committee on Programme and Budget. A Working Paper was prepared incorporating these budgetary revisions and it was submitted to the Committee in the name of the delegations of Australia, Austria, Brazil, Canada, Denmark, France, Pakistan, the Union of South Africa, Sweden, Turkey, the United Kingdom, the United States of America and Venezuela.

61. In the debate on this question in the Committee, major opposition to the proposals was expressed by the delegations of Norway and India. The delegate for The Netherlands suggested that if any reductions were made in the estimated costs of operations for the Organization they should not be specifically limited to headquarters.

62. During the informal discussions on the budgetary ceiling it was agreed that the United States delegate should open the debate principally because of its being the major contributor and having the most to gain from any reduction in the budget. It was further agreed that the Canadian representative should, if possible, speak second and then be followed by a few of the sponsors of the proposals. It was thought preferable not to have all sponsors speak unless it became apparent that the proposals were meeting strong resistance.

63. In the statement made by the Canadian delegate he emphasized the concern of many Member States with the growing cost of international organizations and of the need for the most careful and judicious allocation on the part of Member States of their available national resources. He also suggested that readjustments could be made in the Programme and Budget Estimates for 1954 without jeopardizing the future of the Organization or any of its present or potential programmes. The full text of the Canadian statement will be found in Annex II to this report.†

64. At the conclusion of the general discussion the Director-General said that, if the majority of delegates were in favour of reducing the budget level, he was certain that the Secretariat would implement the decision in the best manner possible. He added, however, that he did not wish this action to be considered a precedent for the future.

65. The proposals submitted by the thirteen delegations mentioned above were approved by thirty-three votes to nineteen with five abstentions, and the Committee agreed to recommend to the Health Assembly the adoption of the following resolutions:

Budget Level for 1954

The Sixth World Health Assembly

Resolves that the budget for 1954 should be $9,838,000 (US) to be financed by:

(1) casual income available for 1954 of $875,000;

(2) assessments against all Members of $8,963,000.

Effective Working Budget for 1954

The Sixth World Health Assembly

Resolves that the effective working budget for 1954 should be $8,497,700 to be financed by:

(1) casual income available for 1954;

(2) assessments against the active Members.

66. There was no detailed discussion of the proposed Programme for 1954 in the Committee, principally because the sponsors of the proposals for a reduction in the budgetary level had given an undertaking to the Director-General that, if the Budget ceiling were fixed at the level recommended by them, they would not then attempt to reduce the budget further by suggesting cuts in individual parts of the Programme for 1954.

67. The revised budget ceiling was subsequently approved by the Health Assembly in plenary session by a vote of forty-seven in favour, six against (Finland, Japan, Iran, Iraq, Hashemite Kingdom of Jordan and Norway) and five abstentions. The effective working budget, in the amount of $8,497,700 was approved by the Health Assembly by a vote of fifty-five in favour, three against and three abstentions.

Expanded Programme of Technical Assistance

68. The Committee on Programme and Budget discussed in detail the Technical Assistance activities of the Organization in 1953 and in a general fashion reviewed the proposed Programme for 1954. The representative of the Director-General, in introducing this agenda item, reviewed the difficulties which the Organization had encountered in its Programme in 1953. He reported that the funds available to the Organization in 1953 had been less than anticipated and that as a result changes had to be made in the Programme. He said that, despite the efforts of the Director-General and the Regional Directors who had decided to postpone some projects, to cancel others and to economize in various ways in personnel and supplies, it had been impossible to reduce the budget for projects to be implemented from Technical Assistance Funds to the level of the available funds. He then pointed out that the Executive Board, being aware of this situation, at its eleventh session, authorized the Director-General to explore the possibility of outside sources of funds. This had been done, and considerable help had been obtained from UNICEF, whose Executive Board had agreed to continue to finance BCG vaccination projects and had also approved a supplementary amount of $274,000 to meet the cost of technical personnel in joint UNICEF/WHO projects to be initiated in 1953. Furthermore, UNICEF had set aside a sum for the implementation of other new joint projects, approved in March, so that its total contribution to the Programme

amounted to $372,000. He concluded by saying that the Director-General was confident that there would be no need therefore to submit a supplementary budget or to seek to withdraw funds from the Working Capital Fund during 1953.

69. Following the statement of the representative of the Director-General, several delegations expressed the need for co-ordination of Technical Assistance activities by the Executive Chairman of the Technical Assistance Board while emphasizing at the same time that there should be elasticity in the working relationships between WHO and the Technical Assistance Board.

70. The Committee approved a resolution in which, *inter alia*, the hope was expressed that in future the annual Technical Assistance Programme of WHO would be planned by categories of urgency in such a way that projects could be carried out in order of importance and to the extent of available resources.

71. During the discussion in the Committee on the Expanded Programme of Technical Assistance for 1954, the Canadian delegate emphasized the importance of the proper integration of WHO-Technical Assistance Programmes into the overall Programme of Technical Assistance. He pointed out that such integration demanded close co-operation with all other Specialized Agencies receiving Technical Assistance funds and that it also demanded that any long-term Technical Assistance Programme established by the WHO should have a realistic financial basis. The text of this statement of the Canadian delegate will be found in Annex III.

72. The representative of the Director-General informed the Committee that the proposed Programme for 1954 had undergone revision and that all parts of the Programme were now classified under a system of priorities. This action on the part of the Organization met with the approval of the Committee since there was a general feeling that the Programme for 1954 could only be satisfactorily implemented provided due regard was paid to the availability of funds.

73. The Committee submitted a resolution to the Health Assembly by which the Director-General was authorized to implement the Programme for 1954 on the basis of the priorities proposed by him and to the extent of available resources. He was also authorized to continue to take the action necessary for the WHO to participate in the Expanded Programme of Technical Assistance.

74. The debate in the Committee on this question was intelligent, interesting and of value both to the Organization and to delegations. It was apparent that the Director-General had made a very conscientious effort to reduce the Technical Assistance activities of the Organization in 1953 to the level of the funds available, and to plan the 1954 Programme on a realistic basis. It is unlikely that the Organization will encounter in 1954 similar difficulties to those which it experienced in 1953 with respect to its Technical Assistance activities. Moreover, it was undoubtedly useful for the Secretariat to have delegations reaffirm the need for the Organization to co-ordinate its activities as closely as possible with those of other Specialized Agencies.

. . .

E. *Committee on Administration, Finance and Legal Matters*

General

101. It is not proposed to discuss in detail the deliberations of the Committee on all its agenda items. Some items were given perfunctory review, others were discussed almost ad nauseum while a few were approved without discussion. Moreover, this section of the Report will not reproduce in detail the various resolutions approved by the Committee and subsequently considered by the Assembly in plenary session. It will, however, record the decisions of the Committee and of the Assembly on each of the agenda items originating in the Committee; in some instances the trend of the discussion will be disclosed.

102. At the first meeting of the Committee, Mr. M.P. Siegel, Assistant Director-General, reported briefly on the administrative and financial status of the Organization. He pointed out that the Organization now included seventy-nine Members and three Associate Members. With the admission of Nepal as a full Member and the Spanish Protectorate Zone in Morocco as an Associate Member there would be eighty full Members and four Associate Members. As regards the staff, he said that during the year ending March 1953 there had been an increase from 1,026 to 1,228 — or just under 20% — not including short-term consultants.

103. Mr. Siegel told the Committee that the most important administrative change in 1952 was the transfer of the Regional Office for Africa from Geneva to Brazzaville. He also reported that further adjustments were made in the staff and structure of the Regional Offices, all with a view to meeting more adequately the ever-increasing requirements on Regional Offices staff to make available more complete services within the Regions. As a further step towards more effectively carrying out WHO's role of co-ordinating international health programmes at the national or planning level, there was established in each of the countries in the Region for Southeast Asia a post called "Area Representative".

104. When reporting on the financial position of the Organization Mr. Siegel explained that the cash deficit for 1952 was $179,190. He pointed out that, while this represented an increase over the cash deficit for 1951, it resulted from the fact that the appropriation for 1952 was 98% utilized as compared to the use of 92.3% of the 1951 appropriation. In this connection he also informed the Committee that, during 1952, 95% of the contributions in respect of 1952 were collected from active Members; the corresponding percentage for collections during 1951 was 92.6%. In commenting on the position of the Working Capital Fund Mr. Siegel reported that, as at April 30, 1952, only two active Members owed all or part of their advances to the Fund. The total amount unpaid by active Members is $58,000, or 1.71% of the amount due from active Members.

Financial Report and Accounts of WHO for 1952

105. An Ad Hoc Committee of the Executive Board had considered the Financial Report for 1952 and the Report of the External Auditor (Official Records No. 47) in accordance with Resolution EB11.R33 adopted by the Board at its eleventh session. The Report of the Ad Hoc Committee (Document A6/36) contained, in addition to the Committee's comments, a draft resolution for consideration by the Sixth World Health Assembly. The report of the Ad Hoc Committee noted the continued improvement in the financial situation of the Organization during 1952 and drew

the attention of the Assembly to the fact that the *increase in expenditure in 1952 in comparison with 1951 was of importance reflecting as it did the development of the Organization and the expansion of its activities.* The Committee, in its Report, noted the observation of the External Auditor that, should the budget of the Organization be increased in the future, there should be an increase in the amount of the Working Capital Fund. The Committee examined the matter and noted that the Director-General had not requested any increase of the Working Capital Fund at the present time.

106. During the brief discussion of this item the delegate for the Union of South Africa referred to the suggestions of the External Auditor that certain questions relating to the Assembly's Suspense Account should be studied and he enquired whether the Organization had been able to study them. In reply, Mr. Siegel said that the suggestions of the External Auditor would be dealt with in a report to be submitted by the Director-General to the Executive Board in January 1954.

107. The Committee recommended to the Assembly the adoption of the Director-General's financial report and the report of the External Auditor for the financial year 1952. This recommendation was subsequently approved by the Health Assembly.

Scale of Assessments

A. *General*

108. The Committee approved the principles contained in the Executive Board Resolution (EB11.R30) that the study requested by the Fifth World Health Assembly on the scale of assessments should be postponed until the first session of the Board to be held in 1954 and that the matter should be submitted to the United Nations Committee on Contributions for recommendations and advance. In addition, the Committee reaffirmed the principles that the scale of assessments should be based, as far as possible on the criteria used by the United Nations and in accordance with principles similar to those on which the contributions of members of the United Nations are based subject to such adjustments as are necessary to take into account: a) the difference of membership of the two organizations; b) the application of the per capita provision of the WHO assessment resolutions; and c) the limitation of the assessment of the largest contribution to one-third of the total assessments.

109. The reaffirmation of the foregoing principles was brought about principally by the delegate for the Union of South Africa who suggested amendments to the Executive Board resolution in order that these principles might be written into the resolution. The Executive Board resolution, as amended by the Union of South Africa, was adopted by the Committee by forty-eight in favour (including Canada), none against and two abstentions. This resolution was subsequently approved by the Health Assembly without a formal vote. The Canadian delegate did not participate in the discussion of this item since he was satisfied that the Canadian interest was being protected as long as the application of the per capita provision was maintained.

B. *Assessment of China*

110. When the Committee commenced discussion of the question of the Chinese assessment it was faced with a choice of three draft resolutions:

(a) A resolution proposed by the Executive Board (EB11.R34) in which it was proposed that the assessment of China remain at 720 units but that an extraordinary reduced contribution from China for 1954 and future years in an amount to be decided by the Health Assembly should be accepted as fully discharging the assessment of China for each year;

(b) A resolution proposed by the Philippines (A6/43) in which the unit assessment of China would remain at 720 units but with a further provision that, until China's financial position has improved, a payment of an annual sum of not less than $10,000 should be considered adequate to avoid the application of Article 7 of the Constitution. This resolution also provided for the acceptance of the Chinese offer to pay $125,000 US in Philippine pesos to be applied to the arrears due to the Organization for 1953 and prior years;

(c) A resolution proposed by Norway in which it was resolved that it was premature to take any decision at this time on the proposed adjustment of the Chinese assessment.

111. During the discussion of this item the delegate from the United States of America stated that his delegation would not support the Executive Board resolution since it provided for a token payment which, in his delegation's view, would create a bad precedent and have the effect of increasing the contribution of the United States delegation to WHO above the statutory level of one-third of the total contributions. He added that his government believed that the Philippines proposal constituted a favourable compromise since it recognized fiscal realities. The delegate for Norway, in speaking to his proposal, referred to the earlier association of China with the Organization but added that Nationalist China represented only some 5% of the total population of China. He further said that his government believed the problem to be a purely political one and he suggested therefore that it might be preferable to delay taking any action on the question at this time.

112. The delegate for the United Kingdom urged that the problem be considered from the financial standpoint rather than the political. He also said that he welcomed the retention in the Executive Board and the Philippines' resolution of the Chinese assessment at 720 units. He added, however, that the introduction in the resolutions of token payments was an unsound precedent and he was not therefore able to support them. The delegate for France said that he was prepared to support the Philippines resolution provided any reference in it to "future years" was deleted.

113. The Norwegian proposal was put to the vote first and was defeated by twenty-eight against (including New Zealand, the United States of America, Australia and France), twelve in favour (including India, Pakistan and the United Kingdom) and eleven abstentions (including Canada). The Philippines resolution as amended by France was then voted on and was approved by thirty-two in favour (including the United States of America, Australia, New Zealand and France), seven against (including India and the United Kingdom) and twelve abstentions

(including Canada, Pakistan and Ceylon). As a result of this vote the Executive Board resolution was not considered.

114. It should be noted that the Philippines resolution was approved by the Health Assembly in plenary session by a vote of forty-three in favour, six against with thirteen abstentions.

115. The Canadian representative did not participate in the discussion of this question in the Committee. He abstained on all votes in view of the non-agreement of the United States of America and the United Kingdom on the method of dealing with the Chinese assessment.

C. *Scale of Assessments for 1954*

116. The Committee agreed that the scale of assessments for Members for 1954 should be fixed at the same scale and under the same conditions as for 1953. It was also agreed that the assessment in respect of Nepal would be at the rate of ten units.

. . .

Arrears of Contributions

120. The Fifth World Health Assembly, in its Resolution WHA5.13, had drawn attention to the serious implications that non-payment of contributions would have on the operations of the Organization, and called upon those Members who had not yet made arrangements to liquidate their arrears of contributions to take appropriate action to do so during 1952. This resolution further requested Members who had not already done so to provide regularly in their annual budgets for their contributions to WHO, and finally it requested the Executive Board to furnish a complete *report* to the Sixth World Health Assembly on any Members whose assessments to the 1948, 1949, 1950 and 1951 budgets had not been paid at the time of the convening of the Sixth World Health Assembly, together with recommendations for any action it might consider appropriate. The presentation of this report provided the delegate for Pakistan with an opportunity to introduce a resolution proposing that a Member in arrears in the payment of its financial contributions to the Organization in an amount equalling or exceeding the amount of the contributions due from it for the preceding two full years at the time of the convening of the World Health Assembly in 1954, should have no vote in the Assembly. This proposal was strongly opposed by most of the Latin American states who based their opposition to it on the grounds that its acceptance would tend to destroy the spirit of understanding necessary between states members of the United Nations. The delegate for Spain, who readily admitted that his country was in arrears, argued that the proposed action would not assist in the development of a spirit of international collaboration. He pointed out that unfortunately the external financial situation prevented Spain from making its contributions punctually. The delegate for Egypt queried the wisdom of taking sanctions in the field of public health and he suggested that the Director-General might be asked to make a study of the measures taken by other international organizations. The Pakistan proposal was supported by the delegates from Australia and India who argued that the WHO had shown considerable leniency in dealing with arrears in contributions and that the time had now come to use similar methods to those used by the United Nations and other Specialized Agencies.

121. At the conclusion of the discussion the Pakistan proposal was approved after being amended by the delegates for Belgium and the Union of South Africa. The purpose of these amendments was to change the effective date of the coming into force of the provisions of the resolution from 1954 to 1955 and to provide that the Assembly might consider, in accordance with Article 7 of the Constitution, *whether or not the right to vote should be granted to a Member* in arrears for the preceding two full years at the time of the convening of the World Health Assembly in 1955. The resolution as amended was approved by thirty in favour with eleven against and eleven abstentions. All Members of the Commonwealth *supported this resolution* except India who opposed it because the original compulsive nature of the Pakistan proposal had been removed. The delegate for the United States of America also voted for it.

. . .

VII. *Summary*

171. It will be recalled that in the final paragraph of the Report of the Canadian Delegation to the Fifth World Health Assembly, the opinion was expressed that, with Canada being a member of the Executive Board, it should be possible for Canadian delegations to take a much more active part in the proceedings of the Health Assemblies. This hope became a reality during the Sixth World Health Assembly.

172. The Canadian Delegation provided Chairmen for four of the Committees of the Health Assembly and each member of the delegation took an active part in the various aspects of the work of the Conference. Informal consultations were held by members of the delegation with other like-minded delegations on most of the agenda items and there was therefore an agreed policy among these delegations before the items were discussed at the Committee level.

173. It is undoubtedly true, as Dr. Chisholm said in his farewell speech to the Organization, that "from the blueprint of 1946, WHO has been turned into a going concern. What seven years ago was only a concept has become a living reality." It was the unanimous opinion of the Canadian Delegation that the Organization has played a useful role in the international health community and that its prospects for continuing effective work are unlimited. The administrative structure of the Organization which, in some respects may have elements of duplication, provides a sound basis through which the aims of the Organization may be achieved. The Organization possesses a competent and efficient staff who, during the past seven years, have been able to direct the Organization's activities along useful channels with the result that its day-to-day work is completed without undue strain being placed either on the senior officials or on the Organization itself. It would, however, undoubtedly be appropriate for the Director-General at this time to provide greater opportunities for his staff to participate in the work of the Executive Board and the Health Assemblies by permitting them to explain to these organs those policies of the Organization directly under their control.

174. The decisions taken by the Health Assembly were, in most instances, reasonable and possible of implementation. The resolution relating to the meeting of the Regional Committee for the Eastern Mediterranean was the only decision which

the delegation had serious doubts as to its effective long-term usefulness. The ultimate success of this decision will not rest with the Organization but will depend on a broader political settlement in that area. It does at least represent a more positive attitude than has been reflected in earlier decisions of the Health Assembly on this question.

175. In addition to the foregoing, the Health Assembly dealt with other matters which had been on its agenda in previous years, as, for example, the question of relationships between the WHO and non-governmental organizations. It is the confident hope of all delegations that the decision taken this year may bring about some satisfactory settlement of a problem with very serious religious implications.

176. The deliberations of the two main Committees were conducted in a forceful manner by their Chairmen. Dr. Leroux was particularly successful in having his Committee deal with its agenda in a forthright and deliberate manner. The Chairman of the Committee on Administration, Finance and Legal Matters encountered a series of points of order and motions for closure of debate. This was, in some respects inevitable because of the very nature of the items before the Committee. The low point was reached when a clock was introduced into the Committee and speakers were limited to five minutes. Failure to comply with this decision was announced by the use of the alarm on the clock.

177. The decision on the budget ceiling was undoubtedly "precooked". This in itself was not an unfortunate development since it gave the more responsible delegations greater opportunity to express their views as to what the budget level should be. It did not, however, solve the problem mentioned in the Report last year of the method of reviewing the budget. If there is any serious deficiency in the procedures of the Organization, it relates to this aspect of its work since insufficient time is provided for a serious and a detailed review of the budget proposals.

178. It is unlikely that the budget level for 1955 can be stabilized at the 1954 ceiling. As a matter of fact, it is doubtful whether this in itself would be desirable. The Organization, on the basis of its past performance, has carried through successfully, necessary and essential programmes. If it is to continue to play a dynamic role in the international health field, it will of necessity be required to expand its activities. This should not give cause for concern other than to assure that its future programmes are soundly based and are in fact necessary.

179. The battle for a change in the composition of the Executive Board to provide for its members to be representatives of governments has yet to be joined. It was the view of the United Kingdom and the United States Delegations that this is a matter for future action if and when the principle of biennial Assemblies is implemented. They consider it preferable to leave this question aside for the immediate future and to decide on the advisability of pressing for a change once the holding of biennial Assemblies is a reality.

180. The departure of Dr. Chisholm from the Organization will leave a great void. It remains to be seen whether Dr. Candau can generate the same loyalty, enthusiasm and idealism which Dr. Chisholm has been able to instill in every member of the WHO.

181. The future success of the Organization and its Health Assemblies will continue to depend on the interest of Member Governments. As Dr. Chisholm said in his farewell speech: "It must not be forgotten that we are only at the very beginning of a long and challenging endeavour. Whether the promises which, for the peoples of the world, have become identified with the very name of WHO, can be fulfilled, will depend on the extent to which a number of conditions which are essential to the success of the Organization can be met." In Dr. Chisholm's opinion these conditions were the need for *all* nations to participate in the work of WHO, the need for greater financing and the retention of the Executive Board as an impartial and independent organ of the World Health Assembly.

2e PARTIE/PART 2

AUTRES ORGANISATIONS
OTHER ORGANIZATIONS

SECTION A

ACCORD GÉNÉRAL SUR LES TARIFS DOUANIERS ET LE COMMERCE
GENERAL AGREEMENT ON TARIFFS AND TRADE

SUBDIVISION 1/SUB-SECTION I

ACCESSION DU JAPON/ACCESSION OF JAPAN

415. **PCO**

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], January 30, 1953

. . .

CANADIAN-JAPANESE TRADE RELATIONS

7. *The Secretary of State for External Affairs* submitted proposals respecting Canadian-Japanese trade relations.

The Intersessional Committee of the General Agreement on Tariffs and Trade would meet on February 2nd, 1953 at Geneva to consider the conditions and timing under which Japan might accede to GATT and a decision was required urgently as to the general line which should be followed by the Canadian delegates to this meeting.

An explanatory note was circulated.

(Minister's memorandum, Jan. 28, 1953 — Cab. Doc. 26-53)†

8. *The Cabinet* after discussion, agreed that, pending further consideration at an early meeting of other matters related to Canadian-Japanese trade relations, the Ca-

nadian representatives at the GATT Intersessional Committee meeting to be held on February 2nd, 1953, be instructed provisionally[15] —

(a) to support arrangements for admitting Japan to the General Agreement on Tariffs and Trade with the minimum of amendments to existing provisions of GATT (it being assumed that, under GATT Article XIX, Canada could implement an appropriate escape clause); and,

(b) to urge that the tariff negotiations required to precede Japan's accession to GATT be merged with the general negotiations relating to the future of the present tariff schedules in GATT which were due to expire at the end of 1953.

. . .

416. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], February 3, 1953

. . .

CANADIAN-JAPANESE TRADE RELATIONS

4. *The Cabinet*, . . . agreed:

. . .

(b) that the provisional instructions approved at the meeting of January 30th, 1953 to the Canadian delegation to the Intersessional Committee of the General Agreement on Tariffs and Trade with regard to the accession of Japan be confirmed; . . .

417. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Divisions

CONFIDENTIAL [Ottawa], February 16, 1953

. . .

Canadian-Japanese Trade Relations

18. *Mr. A.E. Ritchie.* The meeting of the GATT Intersessional Committee which has been considering the conditions and timing for Japan's accession to GATT terminated on February 14th. As we anticipated, the principal difficulty arose over the demands from the United Kingdom and others for safeguards in order to protect export markets. A report from our delegation indicates that the committee will not make a firm recommendation to the Contracting Parties but rather it will present a

[15] Le Cabinet confirma les instructions le 3 février 1953.
The instructions were confirmed by Cabinet on February 3, 1953.

report indicating a number of alternatives. With respect to the conditions for Japan's accession the report will record that some Contracting Parties considered the existing provisions of GATT adequate but that others sought some special safeguards. The United Kingdom proposed a new clause to the general escape article of GATT which would permit discriminatory action. A compromise formula, which would avoid discriminatory treatment, will also be suggested as a possible solution to the problem. With respect to the timing of Japan's accession there appears to have been a large measure of support for our view that tariff negotiations required to precede Japan's accession be merged with the general negotiations relating to the future of the present tariff schedules in GATT which are now due to expire at the end of 1953. Likewise there has been support for our view that the ability of the present Contracting Parties to accommodate Japan within the GATT is dependent substantially on the prospect for expanding trade generally and in particular on the willingness of the major countries to make appropriate tariff reductions. It would have been preferable for the committee to make a unanimous recommendation concerning the conditions for Japan's accession. As the committee recommends that its report be considered by the Contracting Parties in special session it appears that a full meeting of the Contracting Parties now may be held to examine the question further.[16]

418. DEA/9100-P-10-40

Le délégué permanent auprès de l'Office européen des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Delegate to European Office of the United Nations to Secretary of State for External Affairs

TELEGRAM 156 Geneva, October 1, 1953

CONFIDENTIAL. IMMEDIATE.

ACCESSION OF JAPAN TO GATT

Reference: My telegram No. 150 of September 28th.†

1. If Japanese proposal for admission to GATT should come to a vote there would be a serious split among the Contracting Parties. It is still doubtful if the necessary two thirds would be in favour.

2. Supported by the Japanese themselves a compromise is therefore emerging by which the Contracting Parties collectively would take two steps, first, decide to invite Japan to full participation of the meetings, and second, establish a protocol to be signed by those Contracting Parties which are able to do so, agreeing to the application between themselves and Japan, general agreement in the interim period before negotiations have been carried out. If this solution is to induce an acceptable alternative, invitation to Japan will require unanimity and a substantial number of signatures will be required for the protocol.

---

[16] Voir le document 1087./See Document 1087.

3. To ascertain whether the necessary support exists, it is probable that the individual delegations will be canvassed in plenary session on Monday, October the 5th, to ascertain firstly how many Contracting Parties would be prepared to agree in principle to support the decision to invite Japan to participate, and secondly, how many would be prepared to agree in principle (repeat in principle) to sign an appropriate instrument for application as between themselves and Japan of the provisions of general agreement pending the carrying out of the general tariff negotiations.

4. We propose to support the decision to invite Japan to full participation in the meetings and to explain that Canada is now negotiating bilaterally with Japan an agreement consistent with GATT. We could intimate that in the event of future bilateral discussions resulting in the establishment on an acceptable basis for Canadian trade relations with Japan consistent with GATT, Canadian Government would then be prepared to consider having GATT govern Canadian-Japanese trade relations subject to provisions of any such bilateral agreement. We should stipulate furthermore that countries failing to sign the protocol would not, repeat not, gain any additional rights under it. In other words, if Canada should some time sign the protocol and the United Kingdom not, repeat not, sign it, the latter would not, repeat not, acquire any rights as a Contracting Party to supervise GATT agreement between Canada and Japan.

5. Since this new compromise would simply give Japan status of a glorified observer and since we would be making no, repeat no, concessions of substance to Japan, we shall state the position outlined in the preceding paragraph in the plenary session on Monday morning, October 5th, unless we receive instructions from you to the contrary by that time.

6. In consequence of this new approach we may find that the Japanese no longer feel the same urgency about concluding a trade agreement with Canada.

419. DEA/9100-P-10-40

Le délégué permanent auprès de l'Office européen des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Delegate to European Office of the United Nations to Secretary of State for External Affairs

TELEGRAM 167 Geneva, October 19, 1953

SECRET. IMMEDIATE.

PROVISIONAL PARTICIPATION OF JAPAN IN GATT

Reference: Your telegram No. 162† and our No. 164† of October 16th.

1. As the almost unanimous support required for compromise formula described in my telegram No. 156 may not be obtained, it is likely that modified version of original proposal will be placed before Contracting Parties on Thursday, October 22nd or Friday, October 23rd.

2. The significant change in the original proposal is that the draft decision is now presented in a form which calls for a favourable vote of two-thirds of the Contracting Parties before closing of the 8th Session, if Japan is to obtain provisional participation in the General Agreement. Those countries so voting would agree to provisional participation of Japan in the work of the Contracting Parties and would be morally committed to apply, in its trading relations with Japan, the provisions of the General Agreement. The draft decision also provides for signatures of Contracting Parties subsequently up to December 31st, 1953.

3. If Contracting Parties cast a favourable two-thirds vote, Japan therefore will obtain provisional participation at this session. If there is not, repeat not, a favourable two-thirds vote, Japan therefore does not, repeat not, obtain any form of participation in GATT, either now or at any time before the next session of the Contracting Parties.

4. It seems highly conjectural at the present time whether Japan will or will not obtain the required 22 votes. The possibility therefore cannot, repeat not, be ruled out that our vote could be of crucial importance to Japan and that our abstention at this session could mean Japan's failure to obtain provisional participation. You will wish to be fully informed of situation obtaining here and we therefore propose to keep you promptly informed of any further developments during this week.

420. DEA/10389-40

Le secrétaire d'État aux Affaires extérieures
à la délégation permanente auprès de l'Office européen des Nations Unies

Secretary of State for External Affairs
to Permanent Delegation to European Office of the United Nations

TELEGRAM 169 Ottawa, October 21, 1953

CONFIDENTIAL. IMMEDIATE.

Following for GATT Delegation, Begins: Ministers to-day approved in principle trade agreement with Japan along the lines indicated in Sharp's message number 162 of Oct 16th.†[17] Confirmation has been received from Tokyo that substance of agreement is acceptable to Japanese Government. Final text of agreement and related exchanges of notes will be worked out as a matter of urgency. Agreement will not enter into force until ratified by Japanese Diet. We are not at present considering protocol of provisional application. Article II on special valuation procedures will not appear in the Agreement, but will form subject of a separate published exchange. Japanese reply would recognize our right to resort to special valuation procedures in circumstances outlined in text of Article II, both when Agreement enters into force and when the GATT shall have been applied between Canada and Japan.

You are authorized to support Japanese temporary accession to the GATT. In any statement you may make, no reference should, however, be made to our bilateral agreement, which will not be announced publicly until signature. You should say that Canada will vote for Japan's provisional accession, and that Canada intends in due course to apply the GATT as between our two countries. Our understanding is that a vote for Japanese accession does not automatically bring GATT into effect between Canada and Japan, and you should make this clear. For your own information, we do not propose to apply GATT to Japan until the bi-lateral agreement has been ratified by the Japanese Diet, which is not expected until next February or March.

There would be no objection to your letting other interested Delegations know, in confidence, that agreement has been reached in principle on a suitable trade agreement with Japan.

[17] Voir le document 1088./See Document 1088.

421. DEA/10389-40

Le délégué permanent auprès de l'Office européen des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Delegate to European Office of the United Nations to Secretary of State for External Affairs

TELEGRAM 172 Geneva, October 25, 1953

CONFIDENTIAL. IMMEDIATE.

PROVISIONAL PARTICIPATION OF JAPAN IN GATT

Reference: Your telegram No. 169 of October 21.

1. Contracting parties by a vote of twenty-six in favour and seven abstentions adopted formula described in paragraph 2 of my telegram No. 156 for Japan's provisional participation in GATT. Countries abstaining included United Kingdom, Australia, New Zealand, South Africa, Southern Rhodesia, Burma and Czechoslovakia. The second part of the formula i.e. the declaration to be signed by countries accepting GATT as basis for their commercial relations with Japan is open for signature until December 31, 1953. It is expected that about twenty countries will in due course sign declaration.

2. Following are substantive extracts from statements which we made, Begins: The formula proposed by working party contains two main features, first, a *decision* inviting Japan to participate fully in meetings and work of contracting parties and, secondly, a *declaration* whereby those contracting parties in a position to do so join in an agreement with Japan to have GATT govern their commercial relations. I would like Mr. Chairman to indicate position of my delegation with respect to proposal now before us.

My delegation intends to vote in favour of decision extending an invitation to Japan to participate in work of contracting parties. Japan has for some time now been willing to take whatever action seemed necessary to become a party to GATT. It has not, repeat not, been practicable at present to proceed with Japan's request for accession. In our view it is right and proper in these circumstances that Japan should have the opportunity to take its proper place in sessions of contracting parties during period when it is waiting to become a full contracting party. We hope that this decision will commend itself to the vast majority of contracting parties.

I would like now to say a few words about proposed declaration whereby as many contracting parties as possible and Japan agree to have provisions of GATT govern commercial relations between them. In the course of these meetings it has become clear that a large number of contracting parties are prepared to extend GATT to their trade with Japan. At the same time there are a number of contracting parties who are not, repeat not, prepared in present circumstances to do so. We feel it is right and proper that contracting parties should provide facilities for widest possible application of general agreement to trade with Japan during transitional period. We believe that arrangements proposed by working party goes a long way to meeting this objective.

The contracting parties are aware I think that Canada and Japan are currently engaged in negotiating a trade agreement consistent with GATT and designed to place commercial relations between our two countries on a stable and mutually advantageous basis. We are hopeful that it will prove possible soon to conclude a satisfactory agreement. In this event and subject to terms of such an agreement the Canadian Government will then be in a position to give serious consideration to entering into an agreement with Japan whereby GATT will govern our commercial relations. Ends.

3. We are informed that GATT pressing for release will not, repeat not, refer to position of individual countries.

4. The Burmese delegate announced on October 24 that he had received instructions to vote in favour of formula and that his country would sign declaration.

SUBDIVISION II/SUB-SECTION II

HUITIÈME SESSION DES PARTIES CONTRACTANTES
17 SEPTEMBRE — 24 OCTOBRE 1953
EIGHTH SESSION OF THE CONTRACTING PARTIES
SEPTEMBER 17 — OCTOBER 24, 1953

422. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

SECRET Ottawa, September 4, 1953

EIGHTH SESSION OF THE CONTRACTING PARTIES TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE

The Eighth Session of the Contracting Parties to the General Agreement on Tariffs and Trade opens at Geneva on September 17th. It is recommended that the Canadian delegation be composed as follows:

Chairman:	Right Honourable C.D. Howe
Vice-Chairman:	Mr. L.D. Wilgress, Canadian Representative to NATO and OEEC
Delegates:	Dr. C.M. Isbister, Director, International Trade Relations Branch, Department of Trade and Commerce
	Mr. L.E. Couillard, Office of the Canadian High Commissioner, London
	Mr. S.S. Reisman, Department of Finance
	Mr. G.H. Glass, Department of Finance

Mr. B.G. Barrow,
Department of Trade and Commerce
Mr. A.R. Kilgour,
Department of External Affairs,
Secretary to Delegation.

2. The proposed agenda of the Conference comprises some thirty items of which the following are the ones of principal concern to Canada. The draft agenda is attached to this memorandum.

(1) *Status of Tariff Schedules*

3. This question is under consideration by the Minister of Finance and the Minister of Trade and Commerce.

(2) *United Kingdom Proposal on Preferences*

4. The United Kingdom will submit a proposal for some modification of the "no new preference" rule. If it appears that this question raises important issues of policy for Canada Ministerial guidance will be sought.

(3) *Accession of Japan*

5. This item is one of the important issues which will be considered at the Session. It is very closely connected with our own negotiations for a most-favoured-nation trade treaty and it is expected that there will be a separate submission to Cabinet on this matter shortly.

(4) *United States Import Restrictions on Dairy Products*

6. It is anticipated that the United States, largely on the grounds that its whole foreign economic policy is under review, will suggest that the question of the legality in relation to GATT of the latest restrictions should be avoided. It is recommended that the Canadian delegation should indicate serious concern over the United States action and its hope that remedial action will be taken.

L.B. PEARSON

423. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], September 9, 1953

. . .

GENERAL AGREEMENT ON TARIFFS AND TRADE; CANADIAN DELEGATION TO EIGHTH SESSION

54. *The Secretary of State for External Affairs* said the Eighth Session of the Contracting Parties to the General Agreement on Tariffs and Trade would open at Geneva on September 17th. He submitted recommendations concerning the composition of the Canadian delegation and the attitude to be taken on certain matters to be discussed.

An explanatory note had been circulated.

(Minister's memorandum, Sept. 4, 1953 — Cab. Doc. 193-53)

55. *The Cabinet* agreed, —

(a) that the Canadian delegation to the Eighth Session of the Contracting Parties to the General Agreement on Tariffs and Trade to be held at Geneva on September 17th be composed as follows:

Chairman:	The Minister of Trade and Commerce
Vice-Chairman:	L.D. Wilgress, Esq., Canadian Representative to NATO and OEEC
Delegates:	Dr. C.M. Isbister, Director, International Trade Relations Branch, Department of Trade and Commerce
	L.E. Couillard, Esq., Office of the Canadian High Commissioner, London
	S.S. Reisman, Esq., Department of Finance
	G.H. Glass, Esq., Department of Finance
	B.G. Barrow, Esq., Department of Trade and Commerce
	A.R. Kilgour, Esq., Department of External Affairs Secretary to delegation

(b) that the Canadian delegation should indicate serious concern over import restrictions imposed by the United States, and the hope that remedial action would soon be taken.[18]

. . .

424. DEA/9100-AN-40

Le secrétaire de la délégation auprès de l'Accord général sur les tarifs douaniers et le commerce à la Direction économique

Secretary, Delegation to General Agreement on Tariffs and Trade to Economic Division

CONFIDENTIAL Geneva, September 23, 1953

Dear [Ritchie]

I have forgotten the precise date when you are off for the Colombo talks but I hope that this letter finds you still in Ottawa. It will give you a picture of how the Conference is developing.

To take things in their chronological order, I might mention that the talks in London were rather uninspiring (as we anticipated) and nothing new developed except for the two new items raised by Australia. Our telegram from London adequately reported on the talks. As it turned out Norman Robertson did not attend, partly because the more important items were discussed on the first day when Mr.

[18] Voir les documents 793-809./See Documents 793-809.

Robertson was attending the Farnborough air show. In view of the character of the talks I do feel that, while no harm would have been done, it was appropriate that our representation did not include our High Commissioner. Jim Grandy[19] attended and was very helpful to us. The message to Ottawa was discussed with Mr. Robertson before it was despatched.

I think Mr. Howe's attendance here has been most successful, largely owing to his dinner for Heads of Delegations and other social engagements. You would have enjoyed his banquet — the food and the speeches were very good! After Mr. Howe made a few friendly and appropriate extemporaneous remarks, several other speakers similarly made short and amusing statements. You will be interested to know that Melander[20] at the close of his remarks observed that the Contracting Parties were glad to see Mr. Wilgress again at GATT and that he (Melander) thought the Contracting Parties would do well to obtain Mr. Wilgress's services as Chairman for the following year. (Incidentally, in the course of the Commonwealth talks, the UK made a sort of suggestion that CP's might consider it useful to have a European as Chairman next year as it would be important that these countries have confidence in the Chairman during the next twelve months. We remarked that it would, of course, be desirable that the next Chairman should have the confidence of *all* CP's.) One advance copy of the documents is going forward each day by airmail and you will find among them a press release, No.116, which gives Mr. Howe's opening statement.†

Another which you may wish to look at is Dr. Erhard's. He spoke strongly in favour of convertibility and freedom of trade generally. However Cahan tells me that the Germans have been taking some initiative among OEEC countries in considering how steps may be taken towards a "system of convertibility" which would not be as ambitious a project as was contemplated at the Commonwealth Conference. The Europeans discussed this plan (I believe among themselves only) in Washington during the IMF meetings. I haven't any details but Cahan remarked that the German ideas would not perhaps get European countries into economic difficulties as quickly as the existing more restrictive arrangements! No doubt we shall be receiving reports from our Missions about these discussions.

The following notes will describe the first developments which have taken place about the three most important items on the agenda.

Japan

This question has been referred to a Working Party. In the plenary debate the United Kingdom, France, Australia and New Zealand said that they would abstain from any provisional accession of Japan. Thirteen countries supported the Japanese application but four of them indicated that there would have to be satisfactory negotiations about safeguards and the binding of the Japanese tariff. As the Protocol

---

[19] J.F. Grandy, deuxième secrétaire, haut-commissariat au Royaume-Uni.
J.F. Grandy, Second Secretary, High Commission in United Kingdom.

[20] J.A. Melander, chef du Département de la politique commerciale, ministère des Affaires étrangères de la Norvège, président des parties contractantes au GATT.
J.A. Melander, Head, Commercial Policy Department, Ministry of Foreign Affairs of Norway; Chairman, Contracting Parties to GATT.

will need two thirds of the Contracting Parties (e.g. 22 out of 33), it would seem to be touch and go at the present time. We, of course, did not speak in this debate.

You should also know that the Japanese have been approaching us about our bilateral negotiations. Last Sunday they came to the hotel to discuss our proposals. There was, of course, no question of negotiating here but the Japanese have been exploring certain possibilities. For instance, they have indicated that they would like to be able to renew their Agreements with Turkey and especially with the Argentine. They, of course, got no sympathy from us. The Leader of the Japanese Delegation, Mr. Matsumoto, their Ambassador in London, also saw Mr. Howe. I have the impression that, while they are working hard among themselves over our proposed bilateral agreement, they may not be as concerned about our vote as we had thought.

Rebinding of Schedules

This question has also been referred to a Working Party. A good many countries have indicated that they want some escape provision in a firm rebinding, in particular Australia. This question will be thoroughly thrashed out in the Working Party. We have indicated that in our opinion GATT already offers enough opportunities for remedial action if it is considered desirable. The wish for freedom to take protectionist action, however limited, is pretty evident here.

No-new-preference Rule

Mr. Thorneycroft in a well prepared and articulate speech very ably presented the United Kingdom case and fairly effectively, from the technical point of view, endeavoured to show that the UK proposal was in line with the general objectives of GATT. However the Danes remarked that, while they were impressed with the UK argument, they nevertheless considered it unfortunate that questions relating to the highly political and emotional subject of imperial preferences should be raised at this time when the whole of GATT would come up for review before very long. Among other points he said that the Danish Government also had a political problem with respect to preferences and that, in part due to the technicalities of the question, his Government would certainly have some difficulty in explaining to public opinion why an apparent re-inforcement of the British preferential system could be permitted at this time. It is apparent that there is little enthusiasm or support for the UK proposal and it looks as if they are going to have a difficult time in getting their proposal or any modification of it accepted.

I hope you have a very successful time at the Colombo talks. We have been wondering here who will be left in Ottawa to handle any Japanese negotiations but I presume as long as John Deutsch remains the question can be largely handled in his Department.

425. **DEA/9100-AN-40**

Le secrétaire de la délégation auprès de l'Accord général sur les tarifs douaniers et le commerce à la Direction économique

Secretary, Delegation to General Agreement on Tariffs and Trade to Economic Division

CONFIDENTIAL Geneva, October 8, 1953

Dear [Ritchie]

This is just a brief report on further progress since writing my letter of September 23rd. The absence of a letter last week has not meant any particular loss because progress here appears to be quite slow. On the three main issues described below there has been a good deal of discussion going on behind closed doors, although not with substantial success. In fact, on the Schedules and the No-new-preference Rule, this policy of private talks appears to have been more or less a failure. On the other hand discussions in the Working Parties have not yielded any real results so far and it is a real problem to make progress.

Japan

This question has been pretty well covered by the exchange of messages and there is little to add here. The new formula for Japan's participation in GATT was formulated because it appeared to be fairly apparent that the first proposal would not be accepted by enough Contracting Parties. The new formula may seem to be a rather second rate membership in GATT but if enough Contracting Parties accept part (b) this formula might be considered to have some substance. At the present time we are waiting for the meeting of the Working Party which was scheduled for October 5. I understand that the UK, among other countries, wishes to clarify a number of points concerning the precise rights of the Japanese, and the precise position of countries which do not accept part (b) vis-à-vis Japan's relations with other Contracting Parties which have exchanged most-favoured-nation treatment with Japan.

Concerning our own discussions with the Japanese, no more have taken place and we have the impression that the Japanese are not interested in pursuing their bilateral discussions with us here. I might add that at our last discussion with them, they proposed a *general* escape provision concerning the non-discriminatory application of exchange controls affecting the list of goods. We observed that our proposal already was severely limited and any further escape or limiting provision would probably cease to make the proposed agreement worthwhile. What we wanted was a firm and clear cut agreement which was enforceable.

Rebinding of Schedules

The opposition to a firm rebinding has not yet been worn down or divided. Australia, New Zealand, India and the Netherlands appear to be the principal problem countries. The Netherlands' problem relates to the Antilles. What we hope to do is to (1) obtain some formula or give suitable assurances to such countries as the Netherlands that, if they have "exceptional" problems, they can be confident that

these tariff problems will be promptly and sympathetically considered by the Contracting Parties, and (2) obtain some sort of show of strength from the principal trading countries that they are prepared to make a firm rebinding of schedules vis-à-vis each other. We would hope that Australia and New Zealand (together with other chisellers) would thus be isolated and that those countries who are more or less tagging along with Australia will see the possible dangers to which they are exposing themselves. At the last meeting of the Working Party it was apparent that all those countries which are trying to have their cake and eat it too are still united and that private talks with such countries as the Netherlands would be desirable.

No-new-preference Rule

I think it can be said that no progress has been made here. The UK has not shown the slightest will to compromise and other countries are resting on their oars. They claim that they are waiting instructions. The UK position seems very rigid and, of course, this is largely explained by the attacks which the *Daily Express* and other papers have been making on Mr. Thorneycroft. The question here is largely a battle between the UK and European countries and, given the present inflexible attitude of the UK Delegation, I think it is well that we have not taken any position here on this problem. (In the light of the sympathetic attitude which the UK considered other Commonwealth countries should have, they are disappointed, of course, with our silence.) The Working Party on this problem adjourned yesterday for two or three days during which time it is hoped that countries, including the United Kingdom, may receive some further instructions from their governments!

Gradual progress is being made with regard to other items on the Agenda. We have had orderly and sedate debates on dairy products, export subsidies and balance of payments, with countries stating their well known attitudes. The dairy restrictions debate emphasized the important position of agricultural products in world trade. A Working Party has been set up on the European Coal and Steel Community's Report to GATT. It seems apparent that at this early stage in the Community's development, no action has been taken which conflicts with its obligations to GATT. However, two main aspects of the Community will be scrutinized in the Working Party — (1) progress in reducing their tariff levels on steel to the lowest level obtaining in member countries and (2) pricing arrangements. On the latter point, as you know, there have been reports of a common price policy among the big steel producers; and a number of countries here have indicated concern about this apparent tendency towards a re-emergence of cartel arrangements. If the problem is pursued vigorously, it will raise the important question of whether the High Authority has the power to impose a unified commercial policy on its member countries.

426. DEA/9100-AN-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 754 Paris, October 26, 1953

CONFIDENTIAL. IMPORTANT.

EIGHTH SESSION OF GATT

Following is a summary report on principal items dealt with at the final plenary meeting on October 24.

UK request for waiver from article 1

2. After prolonged and difficult negotiations throughout the session between the United Kingdom and the European countries principally concerned, the United Kingdom accepted limitations on its freedom of action in circumstances when agreement cannot be reached with the interested contracting parties that there is no likelihood of substantial diversion of trade. After arbitration, the waiver may be applied either freely, or conditionally, or be refused. (You will recall that when the United Kingdom first showed us the proposed procedures to be followed for the application of the waiver in particular cases, we anticipated that the final paragraph would create serious problems of negotiation). This last-minute compromise enabled some Europeans to support the draft waiver and resulted in the other European countries (Denmark, France, Italy and the Netherlands) abstaining when they otherwise might have voted against the waiver. The waiver (Documents G/59 and L/168),† together with its preamble, fairly effectively relates the decision to the exceptional circumstances of the United Kingdom and safeguards the integrity of Article 1.

Review of the general agreement

3. There were frequent references during the Session to the need for a review of the general agreement next year. It was encouraging to note that most statements reflected confidence in GATT and indicated that the review should take place in the light of changed international economic conditions since 1947. Only a few countries, such as Australia and Brazil, appeared to indicate a measure of dissatisfaction. The decision provides for the contracting parties to meet on October 15, 1954, or at such later date as may be recommended by the Intersessional Committee.

Ninth Session of GATT

4. The Ninth Session has been set for October 14, 1954. If the review of the GATT should be postponed to later in 1954, the Ninth Session might be similarly postponed. If the review should take place in 1955, (which seems likely to me), the Ninth Session will likely commence on October 14, 1954.

Election of Chairman and Vice-Chairman

5. The following were unanimously elected:

Chairman:	Mr. L.D. Wilgress
Vice-Chairman:	Mr. Garcia Oldini (Chile) Mr. Sydenfaden (Denmark).

427. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], December 3, 1953

. . .

GENERAL AGREEMENT ON TARIFFS AND TRADE; CONTINUATION OF TARIFF SCHEDULES TO JULY 1ST, 1955

22. *The Secretary of State for External Affairs* reported that the contracting parties to the General Agreement on Tariffs and Trade, at the Eighth Session held recently in Geneva, had adopted the text of a declaration to extend the assured life of the tariff schedules to the GATT until July 1st, 1955. A firm revalidation of the schedules, as contained in the declaration, was desirable, as otherwise contracting parties would be free to modify or cease to apply negotiated tariff concessions after consultation with other contracting parties. If the schedules were disturbed, the level of international trade might be affected adversely and prospects for future liberalisation of trade and payments prejudiced.

An explanatory memorandum had been circulated.

(Minister's memorandum, Dec. 2, 1953 — Cab. Doc. 315-53)†

23. *The Cabinet* agreed that the government of Canada become a signatory to the Declaration on Tariff Schedules made at the Eighth Session of Contracting Parties to the General Agreement on Tariffs and Trade; an Order in Council to be passed accordingly.

. . .

SECTION B

ACCORD INTERNATIONAL SUR LE SUCRE
INTERNATIONAL SUGAR AGREEMENT

428. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], July 6, 1953

. . .

UNITED NATIONS CONFERENCE ON SUGAR; CANADIAN REPRESENTATION

25. *The Minister of Trade and Commerce* said a UN conference on sugar would meet in London on July 13th, to discuss measures designed to meet the special difficulties which exist or were expected to arise concerning sugar. As a leading importer, Canada had an interest in the conference and was concerned in any proposals calculated to stabilize the world trade. It was accordingly recommended that Canada be represented.

An explanatory memorandum had been circulated.

(Minister's memorandum, June 29, 1953 — Cab. Doc. 150-53)†

26. *The Cabinet* approved the recommendation of the Minister of Trade and Commerce, concurred in by the Secretary of State for External Affairs, and agreed:

(a) that Canada accept the invitation to participate in the United Nations conference on sugar;

(b) that the Canadian delegation be comprised of:

M.W. Sharp, Esq., Associate Deputy Minister of Trade and Commerce, delegate;

G.S. Glass, Esq., Department of Finance, alternate delegate;

Messrs. R.P. Bower and L.E.C. Couillard, Canada House advisers;

and,

(c) that authority be granted to Mr. Sharp to negotiate and sign, subject to acceptance, such agreements as might be concluded and approved by the government; an Order in Council to be passed accordingly.

. . .

429. DEA/10173-40

Le haut-commissaire au Royaume-Uni au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom to Secretary of State for External Affairs

TELEGRAM 1280 London, July 14, 1953

CONFIDENTIAL

Following for W.F. Bull, Deputy Minister Trade and Commerce, repeat to Deutsch, Finance, Begins: The sugar conference commenced yesterday. Sir Wilfrid Eady, United Kingdom, elected Chairman. Baron Kronacker[21] Vice Chairman. After a short plenary session conference went into Executive Committee. United Kingdom delegate made an attack on bilateral agreements affecting transaction in the free market. This obviously was directed at Cuba and indirectly at Canada. Cuban delegate emphasized present over-supply of sugar in the world.

2. At conclusion of general statements Executive Committee proceeded to establish three main committees: Steering Committee, responsible to Executive Committee, to make recommendations regarding prices and quotas; Economic Committee to consider Articles 1–27 except prices and quotas; Administrative Committee to deal with remainder of articles apart from distribution of votes which was left over for later assignment. Steering Committee composed of United States, United Kingdom, Cuba, France, USSR, Dominican Republic and Indonesia. Motion of Canada to increase membership of Steering Committee by one additional net importer was defeated. Kronacher reported later that USSR would not agree to any changes whatever in original proposal. Canada is a member of Economic Committee along with twenty other countries.

3. At request of United Kingdom Hancock[22] and Keely[23] met with Sharp, Glass and Bower at lunch today to discuss Canada's position in the agreement. Hancock disclosed frankly that United Kingdom intended to sell Cuba on reduced or limited sales to Canada in return for a limitation of Commonwealth quota. He said in reply to question that the United Kingdom was more interested in retaining the Canadian preferential market than in Commonwealth self-sufficiency. Export of Commonwealth producers under Commonwealth agreement will be two million one hundred thousand tons this year and are expected to reach two million three hundred thousand tons next year. Hancock predicted that unless some agreement were reached with Cuba along the lines proposed, the United Kingdom would not be able to prevent a further substantial increase in Commonwealth production and exports.

---

[21] Baron P.P.G. Kronacker, membre de la Chambre des représentants de la Belgique.
Baron P.P.G. Kronacker, Member, House of Representatives of Belgium.

[22] Sir Henry Hancock, sous-ministre, ministère de l'Alimentation du Royaume-Uni.
Sir Henry Hancock, Permanent Secretary, Ministry of Food of United Kingdom.

[23] E.P. Keely, directeur, ministère de l'Alimentation du Royaume-Uni.
E.P. Keely, Under-Secretary, Ministry of Food of United Kingdom.

4. Hancock asked whether he was right in assuming that Canada did not intend to seek any further tariff and trade concessions from Cuba at the forthcoming negotiations. We replied that we did not know of any further concessions that we would seek, but would direct this enquiry to Ottawa. We made it clear, however, that we would not acquiesce in any arrangement which would involve a reduction in exports of Cuban sugar to Canada unless we were fully satisfied that such arrangement would not have an adverse effect on our relations with Cuba. Furthermore we got an undertaking from the United Kingdom that in their discussions with Cuba, they would not suggest that we had agreed to any proposals the British might put forward. We underlined our fear that if we were to agree to a transfer of Cuban exports away from Canada and to the United Kingdom, which is the gist of the United Kingdom proposal, this would confer certain bargaining advantages on the United Kingdom which by the same token, would be denied to us. In reply, Hancock said that he understood the point but indicated that the United Kingdom did not intend to negotiate on this basis with Cuba. He admitted, however, that when the United Kingdom recently purchased a million tons[24] of sugar from Cuba, the Cubans had agreed to make certain undefined concessions. After this brief exchange we were not at all confident that the United Kingdom would not in fact deal with Cuba on a bilateral basis. Subsequently I told Hancock that I thought it was unrealistic to expect that Cuba would agree to withdraw from the Canadian market and he seemed to agree that this was so. Undoubtedly, however, the United Kingdom will bargain for a reduction in the amount of Cuban exports to Canada and in default of that for a standstill.

5. We expressed the hope that the United Kingdom would propose an amendment to Article 16 so as to avoid the implication that Canada had aligned itself in sugar policy with the rest of the Commonwealth. The United Kingdom said that they understood the point fully but that they would have difficulties with other members of the Commonwealth who might interpret any change to mean that the Canadian market would no longer be available to them on the same terms as in the past. We said that we would talk directly with Commonwealth producers.

6. I have already told the Cubans that we wish to have talks with them soon and I am hoping to arrange a meeting this week, also with the Dominican Republic. After this preliminary round of talks we can expect serious negotiations to begin. In our conversations with the United Kingdom today we made it quite plain that we were merely listening to their proposals.

---

[24] Note marginale:/Marginal note:
1.5 over 3 y[ea]r period.

430. DEA/10173-40

Le haut-commissaire au Royaume-Uni au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom to Secretary of State for External Affairs

TELEGRAM 1304 London, July 17, 1953

CONFIDENTIAL

Following for W.F. Bull, Deputy Minister, Trade and Commerce, and repeat to Deutsch, Finance, Begins: At our request, Castro[25], the leader of the Cuban delegation, and his two senior advisers had lunch with us yesterday. Cubans had talk with United Kingdom previously. We expressed our desire to maintain good relations with Cuba and thanked them for their cooperation in withholding of refined sugar. In answer to our question Cubans advised that, except in so far as it may be linked with an international sugar agreement, they had not intended to raise the Canada/Cuba agreement until September or October since there is a definite relationship between that agreement and the GATT schedules. They then reported on their talks with United Kingdom. United Kingdom had placed before the Cubans the proposal referred to in para. 3 of our telegram No. 1280 of July 14. The Cubans did not give us a straightforward answer on their reaction to the United Kingdom proposal (the implications of which they clearly understood). It may be significant that they did not reject it out of hand. They explained that whereas in the recent past disposal of sugar had not been a problem for them, the position was now different: for that reason they were now reviving their foreign trade policy with a view to meeting the new situation. While they were not specific, we got the definite impression that they would continue to bargain their most important exports against access to their market. In this context they referred to their unfavourable trade balance with the United States, but they did not indicate in any way that they were unhappy about the Canadian position.

2. In this preliminary talk we felt we had accomplished our main purpose of reassuring the Cuban Government that we intended to be perfectly frank and that any negotiations affecting Canadian sugar purchases would take place on a three country basis. We made it clear that we would not sponsor any proposal to link Canada/Cuba agreement with an international sugar agreement and that we had not committed ourselves in any way to the United Kingdom. The Cubans assured us that the United Kingdom had accepted our position that any arrangements which jeopardized Canadian exports to Cuba would be unacceptable to us. Ends.

[25] Lopez Castro.

431. DEA/10173-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1323 London, July 22, 1953

CONFIDENTIAL

Following for W.F. Bull, Deputy Minister, Trade and Commerce, repeat to Deutsch, Finance, Begins: At his request, Hancock met with Canadian delegation at Canada House yesterday.

2. Respecting Article 16 he advised that the United Kingdom intends to submit a revised draft which will exclude Canada. It will provide an export quota for Commonwealth producers of 2,375,000 tons for the years 1954, 1955 and 1956 with an opportunity to re-negotiate for 1957 when the United Kingdom might wish to have the quota increased by 75,000 tons. Presumably Paragraph B of Article 16 would disappear.

3. The United Kingdom will agree to such a quota on the understanding that a provision is included in the sugar agreement providing for a general condemnation of bi-lateral agreements affecting transactions in the free market. He left the understanding with us that unless such a provision were acceptable, the United Kingdom would not sign the agreement. The United Kingdom intend to insist that Cuba should withdraw fully from existing bi-lateral agreements, for example with Canada, but we get the impression that the extent of the withdrawal might be a matter for bargaining.

4. We made it clear that Canada would continue to maintain a neutral attitude in these negotiations between Cuba and the United Kingdom and that our main concern is to have an effective guarantee that any agreement reached would not have an adverse effect on commercial relations between Cuba and Canada.[26] Ends.

---

[26] Notre copie du document porte l'annotation suivante:
The following was written on this copy of the document: Mr. [A.E.] Richie: I spoke to Arthur Neal[27] to ensure that adequate guidance is being sent. Mr. Sharpe [sic] had "full powers" (to negotiate and sign) concurred in by SSEA [Secretary of State for External Affairs] [signature illisible/signature illegible]

[27] Du ministère du Commerce.
Of Department of Trade and Commerce.

432. DEA/10173-40

Le haut-commissaire au Royaume-Uni au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom to Secretary of State for External Affairs

TELEGRAM 1403 London, August 11, 1953

CONFIDENTIAL

Following for W.F. Bull, T. and C. repeat to Deutsch, Finance, Begins: Following is proposed text of Article 16 as revised by the United Kingdom:

"1. The Government of the United Kingdom (on behalf of the British West Indies and British Guyana, Mauritius and Fiji), the Government of the Commonwealth of Australia and the Government of the Union of South Africa undertake that net exports of sugar by the exporting territories covered by the Commonwealth Sugar Agreement (excluding local movements of sugar between adjoining Commonwealth territories, or islands, in such quantities as can be authenticated by custom) shall not together exceed the following total quantities:—

(I) In the calendar years 1954 and 1955 — 2,375,000 English long tons *tel quel* per year (2,413,793 metric tons)

(II) In the calendar year 1956 — 2,450,000 English long tons *tel quel* (2,490,018 metric tons). Quantitative limits specified in para I hereof shall not be varied and the provisions of all other articles of this agreement shall be construed accordingly.

2. These limitations have the effect of making available to the free market a share in the sugar markets of the Commonwealth. The governments aforementioned would, however, regard themselves as relieved of their obligation thus to limit exports of Commonwealth sugar if an exporter or exporters having quotas under Article 14 of this agreement should enter into special trading arrangements with an importing country based on the share of the Commonwealth sugar market made available under this article.[28]

3. The Government of the United Kingdom with the concurrence of the Government of the Commonwealth of Australia and the Government of the Union of South Africa, undertakes to provide the council . . . days in advance of the beginning of each quota year with an estimate of total net exports from the exporting territories covered by the Commonwealth Sugar Agreement in such year and to inform the council promptly of any changes in such estimate during that year. The information supplied to the council by the United Kingdom pursuant to this undertaking shall be held to discharge fully the obligation in Article 13 of this agreement so far as the aforementioned territories are concerned.

---

[28] Note marginale:/Marginal note:
i.e. would buy from *Cuba* instead of from Commonwealth sources. See amendment in para[graph] 5 of [Telegram] No. 1409.

4. The provisions of paras. (3) and (4) of Article 20 of this agreement shall not apply to the exporting territories covered by the Commonwealth Sugar Agreement.

5. Nothing in this article shall be held to prevent any exporter to the free market from exporting sugar to any country within the British Commonwealth nor, within the quantitative limits set out above, to prevent any Commonwealth country from exporting sugar to the free market."

2. Please let us have your comments and indicate whether inclusion of such a clause would be acceptable to Canada. Canada's adherence to a sugar agreement would not appear to have any effect on the adoption of this article. Originally prohibition of special trading arrangements was to apply to all countries but it was considered desirable by Steering Committee not to place insuperable obstacles in way of accession of countries behind Iron Curtain, most of whom have special trading arrangements among themselves and with other countries.

3. As already pointed out, the inclusion of such a clause applying only to Commonwealth countries is intended to mean that Cuba will not renew present agreement with Canada. This is satisfactory from our point of view provided that it does not result in less favourable tariff rates applicable to Canadian goods entering Cuba. Presumably if Cuba withdraws concessions or otherwise acts to our detriment, a Canadian offer to renew present agreement cannot be accepted by Cuba, since such acceptance would mean an increase in Commonwealth supplies[29] which Cubans apparently fear. We might suggest an exchange of notes with Cuba, at the time of signature to the sugar agreement, wherein it would be made clear that during the life of the sugar agreement Cuba's treatment of Canadian goods would not be related to Canadian purchases of raw sugar.

4. I intend to point out to Hancock that while we have no particular objection to this attempt to end the Cuban/Canadian agreement, it does run the risk that if Canada cannot maintain her position in the Cuban market by agreeing to buy sugar, we may be forced to bargain with the sugar preference, which could be more serious from the United Kingdom point of view than a renewal of the present Cuban/Canadian deal.

5. I asked Sir William Rook[30] why the United Kingdom was so concerned to get the Cubans out of the Canadian market and he replied with the following figures:

United Kingdom domestic consumption 2,550,000 tons or perhaps a bit more after the end of rationing.

United Kingdom domestic production 650,000 tons.

Commonwealth Agreement negotiated price 1,650,000 tons.

Remainder of Commonwealth Agreement quantitative 725,000 tons.

Total supplies available to United Kingdom 3,025,000 tons.

6. It will be seen that supplies over and above United Kingdom domestic consumption are not very much less than total Canadian imports. Hence the purchase

[29] Note marginale:/Marginal note:
i.e. above quotas in Art[icle] 16

[30] Directeur de la production du sucre du Royaume-Uni.
Director of Sugar Production of United Kingdom.

of 150,000 tons by Canada outside the Commonwealth could result in intensification of Commonwealth competition for Canadian market with gradual loss of preference and eventually in Commonwealth sugar having to be sold at world market prices. Furthermore without access to full Canadian market United Kingdom would no longer be able to maintain its trading position in non-Commonwealth sugar world by purchasing Cuban and other non-Commonwealth sugars.

433. DEA/10173-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1409 London, August 12, 1953

CONFIDENTIAL

Following for W.F. Bull, Deputy Minister, Department of Trade and Commerce, repeat to Deutsch, Finance, Begins: Yesterday in Executive Committee the revised quota proposals of the Negotiation Committee were presented, totalling 5,245,000 tons. After Indonesia, and several other countries, had indicated they could not accept their suggested quota, the Negotiating Committee cut Indonesia by 100,000 tons and re-distributed this quantity to others. Apparently the Negotiating Committee reasoned that Indonesia was not going to sign, therefore, her quota was cut to what her exports may be expected to be and the excess of 100,000 tons re-distributed. The final suggested quotas are as follows:

In thousands of metric tons:

Belgium 50; Brazil 175; Cuba 2,250; Costa Rica 5; Czechoslovakia 275; Denmark 70; Dominican Republic 575; France 20; Haiti 45; India —; Indonesia 150, Mexico 75; Netherlands —; Peru 280; Philippines 25; Poland 220; Portugal —; Taiwan 600; USSR 200; Yugoslavia 20; Colombia 10; Ecuador 5; East Germany 150; Hungary 40; Nicaragua 10. Total 5,250. In the event of an increased distribution of quotas, either owing to shortfall in some quotas, or to increased requirements in the free market, (1) the first 50,000 tons will be allotted to the Dominican Republic, (2) the next 15,000 tons will be allotted to Poland, (3) the next 5,000 tons and in 1956 the next 10,000 tons, will be allotted to Haiti, and (4) the next 25,000 tons will be allotted to Czechoslovakia.

2. Dominican Republic and Brazil have accepted. Mexico, Haiti, Czechoslovakia and Philippines have said they will recommend acceptance to their governments. Cuba objects to the four provisions re[:] allotment of first 95,000 tons. Debate continues today. An agreement seems more possible than it did.[31]

[31] Note marginale:/Marginal note:
105,000?

3. The recommended price range is 3.25 cents to 4.50 cents. Cuba suggested high of 4.25 and several small countries suggested minimum was too low. We do not intend to object to price range of 3.25 to 4.50 since this is somewhat lower than Canada had suggested in reply to questionnaire.

4. Article 16 presented in form notified to you yesterday. We reserved our position pending receipt of instructions. Amendments being discussed outside conference which would make it clear that Article 16 would not restrict scope of multilateral negotiations at GATT. We have told United Kingdom that if Cubans threatened to withdraw concessions we might be forced to bargain with [preference[32] in order to retain our position in Cuban market. They are aware of this possible] consequence of Article 16 and will endeavour to achieve understanding [with Cubans] that retaliation against Canada would not be in accordance with spirit of Article 16.[33]

5. An amendment to final words of Article 16, paragraph 2, along following lines is under consideration: "If an exporting country having a quota under Article 14 of this agreement should enter into an arrangement with an importing country of the Commonwealth which would guarantee the exporting country a specified portion of the market of that Commonwealth country". Ends.

434. DEA/10173-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs to High Commissioner in United Kingdom

TELEGRAM 1336 Ottawa, August 13, 1953

CONFIDENTIAL. MOST IMMEDIATE.

BRITISH PROPOSED ARTICLE 16

Referring to your telegram No. 1403 of August 11 following for Sharp from Bull, Begins: This is the same proposal made by the Chancellor to Mr. Howe in London in June and rejected by Mr. Howe on the grounds that it would cost Canada its Cuban market. Minister and Deutsch still hold this opinion and regard proposal with alarm.

2. We are concerned with this proposal, which would effectively allocate the entire Canadian raw cane sugar market to Commonwealth suppliers and would also deprive Canada of any bargaining power for trade negotiations and commercial re-

[32] Note marginale:/Marginal note:
sugar preference

[33] Le télégramme n° SUC-89 du haut-commissaire au Royaume-Uni au secrétaire d'État aux Affaires extérieures, en date du 14 août 1953, apportait des corrections; les mots corrigés sont mis entre crochets [...].
The words in square brackets are as corrected in Telegram No. SUC-89, from High Commissioner in United Kingdom to Secretary of State for External Affairs, August 14, 1953.

lations with Cuba and other non-Commonwealth sugar producing countries. You should, therefore, not associate Canada with this proposal or any agreement containing it until such agreement can be carefully considered in Ottawa.

3. Would Cubans be willing to give explicit and formal binding undertaking that they would not regard discontinuance of our present sugar arrangement in any way as reason for worsening Canada's trade position in Cuba? Such formal assurance to be of any value would have to stipulate continued binding of Cuban concessions to Canada under the GATT. Cuba would have to instruct their GATT delegates at Geneva accordingly. We fear that such an understanding with Cuba would, at best, preserve the status quo and preclude any hope of Canada obtaining any better concessions from Cuba.

4. If British proposal is incorporated in agreement, and if trade difficulties later develop between Canada and Cuba, only bargaining counter left to Canada would be the preferential tariff itself. This should be reckoned with as a possibility which, as you say in your 1403, would be more serious for the Commonwealth interests than a bilateral purchase undertaking.

5. Please ascertain Cuban reactions to British proposal and to ideas in our paragraph 3 above. Also, is there any possibility that Cuba will accept the British proposal regardless of the attitude of Canada?

6. Cubans have asked Canada to discuss renewal of sugar arrangement before September GATT meeting and we replied August 13 pointing out difficulty of sending negotiating team to Cuba between end of sugar conference and beginning of GATT session. We proposed as an alternative carrying on discussions in Geneva or in Cuba after GATT meeting. We would like to know whether Cuba will follow British proposal or whether this request for direct negotiations with Canada is an indication that the British proposal is unacceptable to them. Ends.

435. DEA/10173-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1422 London, August 14, 1953

CONFIDENTIAL. MOST IMMEDIATE.

Following for W.F. Bull, Deputy Minister, Trade and Commerce repeat to Deutsch, Finance, Begins: Re Article 16 of sugar agreement. Your final paragraph of 1336 has produced consternation among Cuban and United Kingdom delegations. United Kingdom and Commonwealth exporters now definitely suspicious of bona fides of agreement of Cuba to Article 16 as drafted and may not be willing to sign agreement until uncertainty removed. Cuban delegation has cabled home requesting representations to Ottawa for renewal of Canada/Cuba agreement to be withdrawn. Hear that Castro returning to Havana tomorrow to attempt to persuade government to accept Article 16.

2. You may be assured that we have not been party to British proposal to Cuba nor have we made any commitments whatever. Both United Kingdom and Cuba understand our position fully which is in line with your message 1336.

3. If Canada is asked to adhere now to agreement, we shall say that we can not do so until we have satisfactory assurances in writing from Cuban Government that end of Canada/Cuba agreement will not worsen Canada's trade position in Cuba and until those assurances have been put to the test during forthcoming GATT negotiations.

4. The answer to your question in paragraph 5 of 1336 is in the affirmative. Our understanding is that Canada's adherence not vital. Cubans most anxious for United Kingdom acceptance of agreement and limitation on Commonwealth exports. Ends.

436. DEA/10173-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs to High Commissioner in United Kingdom

TELEGRAM 1350 Ottawa, August 14, 1953

CONFIDENTIAL. IMMEDIATE.

SUGAR AGREEMENT

Following for Sharp from Bull, Begins: Referring to your 1422 of August 14. Consternation caused by final paragraph of our 1336 may be due to our failure to provide you with complete information on chronology of Cuban proposals. Sequence of messages was as follows:—

2. Cuban Note, dated July 16, asked for negotiations in Cuba after International Sugar Conference and before GATT meeting. This Note received in Ottawa August 10. On the same day we received a confidential despatch from Canadian Ambassador at Havana reporting that he had learned informally that Cubans were not pressing for this meeting and proposed that discussions be held in Geneva during September GATT meeting. Our reply to Cuba, unfortunately, delayed in transmission and going forward today.

3. It may well be that Cuban request of July 16 for bilateral discussions was made without any prior knowledge on their part of new Article 16. Ends.

437. DEA/10173-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur à Cuba

Secretary of State for External Affairs to Ambassador in Cuba

TELEGRAM 51 Ottawa, August 22, 1953

CONFIDENTIAL. URGENT.

Following for Canadian Ambassador from Sharp (repeat to Van)[34]:

1. Pending receipt of the full text of the Sugar Agreement you should be informed of certain developments during the London conference.

2. The final act of the conference authenticates the text of the agreement which has been framed and signature of this act is not equivalent to the signature of the agreement itself. The latter will be open for signature for several weeks and will be subject to ratification.

---

[34] W.R. Van, adjoint au secrétaire (Commerce), ambassade à Cuba.
W.R. Van, Assistant Commercial Secretary, Embassy in Cuba.

3. Canada proposes to sign the above final act and our delegate made a statement (see text below). Canadian ratification would be welcomed by other parties but its absence would not prevent agreement from going into effect.

4. At the outset of the conference the UK delegation explained to our delegation that the UK intended to try to persuade Cuba to reduce or limit sales to Canada in return for a limitation of the Commonwealth export quota. For our part we asked the UK to suggest a redrafting of Article 16 as it stood in the working draft so as to avoid the implication that Canada was aligned in sugar policy with the rest of the Commonwealth. The UK agreed, and undertook to submit a revised draft. They did, however, indicate that they would not sign an agreement unless it included a clause providing for a general condemnation of bilateral agreements affecting transactions in the free market. They intended to insist that Cuba should withdraw from existing bilateral agreements, as for example, with Canada, but we got the impression at that stage that the extent of the withdrawal might be open to bargaining. The UK proposal was eventually expressed in Paragraph 2 of Article 16 of the final text. This paragraph contains a provision intended to deter Cuba from renewal of existing Canada-Cuba sugar purchase agreement or any modification thereof.

5. Throughout the discussions the Canadian delegation maintained a neutral attitude on this British proposal and made it clear that we attached great importance to receiving an effective guarantee that any agreement reached would not have an adverse effect on commercial relations between Cuba and Canada. We objected to outlawing of any sugar purchase agreement with Cubans unless we receive binding undertaking confirmed by appropriate actions at Geneva that Cubans would not use this development as justification for some action to worsen our position in Cuban market.

6. In summary, the final version of Article 16 provides that, while Commonwealth sugar producers are given a maximum export quota, they would be released from this limitation if Cuba should enter into a bilateral sugar purchase deal with Canada. Cuba is still free to press for such a deal if it wishes; but it is the hope and expectation of the United Kingdom that in view of Article 16 and of Commonwealth support for the Agreement, (which Cubans are very anxious to have), Cubans will decide not to press for a new Canadian bilateral purchase deal without prior negotiation with United Kingdom. In the absence of a Canadian/Cuban bilateral purchase deal, the UK and Canada hope that Cuba will not take any action tending to impair Canadian position in Cuban market. United Kingdom negotiators have obviously been doing their best to bring about this result, which would of course be gratifying to us. We are sending you by air mail copy of letter given by Sir Henry Hancock, leader of British delegation, to Senor Lopez Castro, leader of Cuban delegation.

7. Canadian delegates have been doing their best to help in bringing the parties together for sugar agreement and have been publicly assured that we have earned and now enjoy goodwill of all parties concerned including Cuba, Dominican Republic and United Kingdom.

8. Text of statement referred to in para. 3 follows:

Canadian delegation has not been associated in any way with proposal to insert paragraph 2 in Article 16. This paragraph obviously is of very great concern to Canada since it might result in impairment of Canada's trade with some of the sugar producing countries with whom we have close and valuable trading relationships. I am, therefore, instructed by my Government to say that Canada must reserve its position in respect of a sugar agreement which includes any paragraph along the lines of paragraph 2 of Article 16 until the Government of Canada is satisfied that this paragraph will not have a detrimental effect upon important segments of Canada's external trade. May I add that Canada is in favour of a sugar agreement on as broad a basis as possible and that it is the hope of my Government that events will develop in such a way that Canada will be able to sign and ratify the agreement.[35] Text ends.

438. DEA/288-40

Note de la Direction économique

Memorandum by Economic Division

CONFIDENTIAL [Ottawa], November 19, 1953

CANADA'S RELATIONSHIP TO UK — CUBAN NEGOTIATIONS

Mr. Mitchell Sharp, the Associate Deputy Minister of Trade and Commerce, is going to Havana to have some talks with the Cubans at the same time as the UK is negotiating with Cuba on commercial matters.

2. Yesterday afternoon, I attended an informal meeting in Mr. Sharp's office with Mr. Gray[36] from the Board of Trade and Mr. Keely from the Ministry of Food who will be representing the UK in the Cuban negotiations. The purpose of the meeting was to learn what the United Kingdom intended and to ensure that the UK negotiators were aware of Canada's intentions.

3. Briefly, the two UK officials indicated that their objects would be to:

(a) persuade Cuba not to seek an extension of the present sugar arrangement with Canada (which has the effect of depriving the British West Indies of a market for some 150,000 tons of sugar a year); and

(b) induce the Cubans to remove the US preference and the surcharge on some 125 items.

4. In return, the UK would probably indicate a willingness to:

---

[35] Le 10 mars 1954, le Cabinet accepta l'adhésion du Canada au traité ; l'instrument d'adhésion du Canada fut déposé le 29 juin 1954.
On March 10, 1954 Cabinet agreed that Canada accede to the agreement. The instrument of accession of Canada was deposited on June 29, 1954.

[36] H.T. Gray, du Département des relations commerciales et des exportations, ministère du Commerce du Royaume-Uni.
H.T. Gray, Commercial Relations and Exports Department, Board of Trade of United Kingdom.

(a) refrain from invoking Article 16 of the International Sugar Agreement, in the event that it is ratified; thus, in effect, limiting exports of Commonwealth sugar in competition with Cuban sugar in free markets; and

(b) concede certain tariff concessions on cigars and fruit juices.

5. Even though such a bargain might seem rather one-sided, the UK negotiators were fairly optimistic primarily for the reason that they think the Cubans are determined to get the International Sugar Agreement ratified and made effective. Apparently Cuban Ministers have played up the role of their representatives in the negotiation of that Agreement, and, quite apart from the commercial advantages which it might confer on Cuba, the Agreement has become a symbol of great political importance to the present Cuban regime. In addition, the Cubans already have a very favourable balance of trade with the United Kingdom and could, therefore, probably accept some improvement in the treatment of imports from the UK.

6. The Canadian officials made it clear that Canada would not be willing to join in pressing the Cubans to terminate the present bilateral sugar arrangement. While that arrangement had been criticized in certain respects, the Canadian Government had not been too dissatisfied with the way it had worked. In particular, they felt that the existence of the arrangement for raw sugar had been helpful in controlling exports of refined sugar to Canada which had showed signs of creating difficulties or embarrassments in certain parts of the country. Moreover, the continuation of the present arrangement might improve Canada's bargaining position against the time when tariff rates, which are now bound under the GATT for another 18 months, have to be reviewed and re-negotiated. If some alternative could be worked out which gave Canada similar benefits (and the UK negotiators had declared that it was their intention to insist on appropriate assurances to this effect), Canada might not object. The attitude of the Canadian representatives during the Havana talks would naturally be rather cautious. We would want to hear what the Cubans had to say before making up our minds.

7. The UK negotiators had intimated that, in their view, any arrangement which they might make with the Cubans (including any agreement by the Cubans to abstain from entering into a bilateral sugar deal with Canada) should run for three years at least. The Canadian officials doubted that Cuba could accept an arrangement of this duration, particularly since they would doubtless desire to have a good deal of freedom to manoeuvre when the next GATT tariff negotiations take place in about 18 months' time. In any case, it was unlikely that Canadian Ministers would welcome an arrangement which affected their trading relations with Cuba over a period as long as three years.

8. In connection with the tariff items on which the UK will be seeking concessions regarding preferences and surcharges, the UK negotiators invited the Canadian officials to indicate which, if any, of these items were of particular interest to Canada. Any concession which might be made to the UK would, of course, extend to Canada and other countries receiving most-favoured-nation treatment from Cuba. The UK negotiators said that, if we were especially interested in some items, they might have that in mind in deciding which items should be dropped in the event that the Cubans showed a reluctance to consider the whole list. The Canadian

officials thanked the UK negotiators for their thoughtfulness, but expressed the view that it would probably be inadvisable for Canada to be involved even remotely in the tariff negotiations which the United Kingdom would be having with Cuba.

A.E. RITCHIE

439. DEA/288-40

L'ambassadeur à Cuba
au secrétaire d'État aux Affaires extérieures

Ambassador in Cuba
to Secretary of State for External Affairs

TELEGRAM 62 Havana, November 24, 1953

CONFIDENTIAL. MOST IMMEDIATE.

TRADE DISCUSSIONS

1. Tuesday afternoon Sharp and Van met for three hours with Cubans under Meyer. To open, Cuba made it clear that they were anxious to retain a foothold in the Canadian market and were looking for some formula alternative to present sugar purchase agreement. Sharp gave detailed explanation of Canadian position beginning in Torquay and ending with his statement at the International Sugar Conference. Canada was awaiting proposals from Cuba.

2. Meyer then invited our comments on proposal to accord British preferential rate to a quota in excess of 75,000 tons Cuban sugar and on proportionate quota of other non-Commonwealth sugars. Sharp pointed out that this would represent a major tariff concession by Canada for which the Canadian Government would probably demand compensating concession by Cuba. It was not, repeat not, equivalent to present sugar purchase arrangements which did not, repeat not, involve any change in Canadian tariff and which did not, repeat not, reduce protection afforded to Canadian sugar beet producers. Present arrangement really involves limitation on British preferential tariff plus guaranteed purchase of Cuban, Dominican and Haitian sugar.

3. Sharp asked Cubans which they preferred, continuation of present arrangement or tariff quota. Assuming quantity similar, Cuba definitely prefers continuation of present arrangement.

4. If tariff quota alternative is followed, Cuba expects quantities to be considerably in excess of 75,000 tons since no, repeat no, guarantee involved. If sugar purchase arrangement continued Cuba expects quantities somewhat in excess of 75,000 to compensate for withholding of refined sugar. Guerra said Cuban Government assumed if Cuba requested continuation of sugar purchase arrangement Canada would not, repeat not, demand further tariff concessions from Cuba. Sharp said he understood this to be the Canadian position. If, however, any different proposal were made, such as a tariff quota, he had to reserve the position of the Cana-

dian Government. Vargas Gomez said he had discussed tariff quota with Isbister and Wilgress in Geneva and that Canadians had been receptive.

5. The discussions have taken the form which we predicted to the United Kingdom when they first indicated that they would put pressure on Cuba to end the Canadian-Cuban sugar agreement. The Cubans now intend to acquaint the United Kingdom with the substance of the foregoing talks.

6. It may be that prospects of a change in Canadian preference will cause United Kingdom to change their attitude toward continuation of sugar purchase agreement. On the other hand, it may not, repeat not. In the meantime, please let me have your reaction as quickly as possible to foregoing proposal for a tariff quota. I indicated that Canada would probably be opposed to reduction in tariff and if anything were to be done would prefer to limit the British preference. Would appreciate outline of alternative proposals more acceptable to us. Also, if sugar purchase arrangement to be continued, how much additional in compensation for withholding of refinery sugar.

7. All these discussions exploratory. Cuban Government has not yet decided what to ask.

440. DEA/10173-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur à Cuba

Secretary of State for External Affairs
to Ambassador in Cuba

TELEGRAM 70 Ottawa, November 26, 1953

CONFIDENTIAL. IMMEDIATE.

TRADE DISCUSSIONS WITH CUBAN GOVERNMENT

Reference: Your telegram of November 24.

Following for Sharp from Bull, Begins: You may propose continuation of present arrangement involving 75,000 short tons of Cuban raw sugar if this is necessary to assure continued access for our goods to the Cuban market. We wish to obtain continuation of understanding reached earlier this year with Cuba by which refined sugar was withheld from sensitive Ontario beet sugar marketing area of Hamilton, London, Chatham. Please ascertain what minimum additional price, if any, we must pay for this concession.

2. We do not think it appropriate to enter into tariff negotiations with Cuba at the present time and we have, therefore, not given serious consideration to the question of what tariff concessions might be given to Cuba by tariff quota or otherwise, or what concessions we might request. We would not wish to get involved at present in the question of the sugar preference unless we were convinced that the problem cannot be solved more simply by a continuation of present arrangement. You may

wish to convey this point of view to the United Kingdom negotiators as well as to the Cubans.

3. In extending the present arrangement, a period of 18 months would be most appropriate, to continue to the middle of June, 1955, which would thus coincide with the period of firm binding of GATT schedules. In other words, we would undertake to import 75,000 short tons of Cuban raw sugar during 1954 and 37,500 short tons during the first half of 1955. Ends.

441. DEA/288-40

L'ambassadeur à Cuba
au secrétaire d'État aux Affaires extérieures

Ambassador in Cuba
to Secretary of State for External Affairs

TELEGRAM 63 Havana, November 30, 1953

CONFIDENTIAL. MOST IMMEDIATE.

TRADE DISCUSSIONS WITH CUBAN GOVERNMENT

1. Sharp and Van met Cubans under Meyer Saturday and on the basis of your telegram No. 70 of November 27th [26th] confirmed that Canada is willing to continue sugar purchasing arrangements 18 months and to increase amount above 75,000 tons per annum in order to obtain continuation of understanding regarding refined sugar. Also confirmed that we would prefer not to discuss tariff preference at present time.

2. Cubans uncertain what to do. United Kingdom threatens to withhold ratification of international sugar agreement unless Cuba agrees not, repeat not, to sell raw sugar to Canada during the life of the agreement. Sharp told Meyer at the meeting that he felt this was unreasonable position which Cuba should resist.

3. Sunday morning Sharp told Keely and Gray that if the United Kingdom persisted in these tactics the Canadian Government would protest to the United Kingdom Government. Our views being transmitted to London. You might wish to express our displeasure to Bowen[37] in Ottawa.

4. Sharp told United Kingdom negotiators that the international sugar agreement should speak for itself. Clause 16 gives the United Kingdom freedom to increase exports if Cuba enters into special trade arrangements with Canada for guaranteed share of Canadian market. Cuba agreed to this clause and should be free to make choice. Furthermore United Kingdom can always withdraw from the agreement. Canada will not, repeat not, stand idly by while the United Kingdom tries to compel Cuba to agree in advance not, repeat not, to sell raw sugar to Canada or to negotiate for share of the Canadian market by tariff concessions or otherwise.

[37] G. Bowen, conseiller économique, haut-commissariat du Royaume-Uni.
G. Bowen, Economic Adviser, High Commission of United Kingdom.

442. DEA/288-40

Note de la Direction économique

Memorandum by Economic Division

CONFIDENTIAL [Ottawa], December 3, 1953

CANADIAN-UK-CUBAN TALKS ON SUGAR AND TRADE GENERALLY

On December 2, Mr. Sharp learned from the Cubans that, in return for an assurance that the United Kingdom would ratify the International Sugar Agreement, Cuba had undertaken not to enter into a contract for the sale of sugar to Canada over the next three years. The Cubans were apparently not prepared to promise the UK that they would refrain from seeking any improvement in Canadian tariff treatment of Cuban sugar during this period.

2. When Mr. Sharp asked the Cuban officials whether their undertaking to abstain from making a contract meant that they were not expecting to sell sugar to Canada, the officials replied that they hoped Canada would continue to buy Cuban sugar. When Mr. Sharp then asked whether this meant that it would be "in our interests" to go on purchasing sugar from Cuba, the officials confirmed Mr. Sharp's surmise that this was what they had meant to imply.

3. In the light of these reports from Havana, the situation was discussed among Canadian officials concerned in Ottawa late on December 2. The general view was that, in the light of the intimations given to Mr. Sharp, we might be running considerable risks if we did not tell the Cubans that we propose to go on buying their raw sugar on much the same basis as last year. In the absence of some such understanding with Cuba, we might expect that our exports would probably be treated rather unsympathetically (even though Cuban tariff rates are bound under the GATT until June 1955), and the Cubans might create a rather disturbed situation in some of our "sensitive areas" by allowing their refined sugar to be sold freely to Canada. At the same time, it was recognized that the UK might take amiss any such offer by us and might regard it as undermining their arrangement with Cuba. The officials felt, however, that the UK should be able to understand our position, especially since it would appear that, in the absence of a voluntary arrangement of this sort, the sugar preference might be called in question. They should also appreciate that the action which we were proposing to take was necessary to protect our export trade in Cuba, particularly since it appeared that the UK negotiations had not helped to create a favourable attitude on the part of Cuban officials towards trade with Canada. Moreover, the UK should realize that such an offer did not imply lack of interest on our part in trade with the British West Indies, since some 75% of our market would still be available to the BWI with the full benefit of the tariff preference.

4. The upshot of the discussion among Canadian officials was that the UK might be informed of our intentions on December 3 and that Mr. Sharp should be instructed to advise the Cubans 24 hours or 36 hours later. The Trade and Commerce officials were to discuss these conclusions with Mr. Howe on the morning of December 3 before he was due to telephone Mr. Sharp in Havana.

5. When informed of these views orally on December 3, Mr. Howe's initial reaction was that the offer should be made immediately to the Cubans and that the UK might be informed simultaneously or at a later stage. It was pointed out to Mr. Howe that this course might be a little tricky, since the UK might react rather strongly if treated in this manner and might belatedly protest that such an arrangement (which it has tolerated since Torquay) was nullifying a tariff preference to which the United Kingdom had a contractual right. While we might have some arguments with which to counter such a protest (e.g. the fact that many of our preferential rates were being nullified by import policies of the UK and its dependent territories), it would seem desirable to avoid such a controversy if possible. Mr. Howe then agreed that the instructions to Mr. Sharp should be simply that:

(a) he should recall the statement by the Cubans that we might wish to buy Cuban raw sugar "in our own interests"; and

(b) he should suggest to the Cubans that "they might wish not to sell Cuban refined sugar in sensitive parts of Canada in their own interests."

6. Mr. Sharp would not give the Cubans any undertaking at this stage that we would contract to purchase a particular amount of Cuban sugar. Mr. Howe agrees that, before any such precise undertaking is given to the Cubans (which probably would not be necessary for some time to come), the UK would be informed of our intentions, and the position would then be explained to them. At the present time, the UK would be told nothing about the "intimations" exchanged orally between Mr. Sharp and the Cubans.

7. It can be argued that there might have been some advantage in not deferring this issue, since we might be in a better position now, when the Cubans are in a negotiating mood, to secure definite undertakings from them concerning refined sugar and the treatment of our exports. Moreover, if the date when this action has to be taken comes after the UK has actually ratified the Sugar Agreement and after certain further concessions may have been made to Canada on exports to the BWI, the UK might accuse us of bad faith. While there are these dangers, the additional time allowed does provide an opportunity for us to consider the timing and nature of any explanation to be given to the UK. In any event, this postponement would seem to be preferable to the alternative which Mr. Howe favoured, namely an undertaking to the Cubans now with only a simultaneous or subsequent notification to the UK.

443. DEA/288-40

L'ambassadeur à Cuba
au secrétaire d'État aux Affaires extérieures

Ambassador in Cuba
to Secretary of State for External Affairs

TELEGRAM 69 Havana, December 30, 1953

CONFIDENTIAL. IMMEDIATE.

CUBAN-CANADIAN TRADE DISCUSSIONS

Following is a translation of a note received yesterday afternoon, December 29th, from Ministry of State. Note begins: I have the honour to refer to the conversations recently held in Havana by representatives of both our governments, wherein were considered some aspects of the commercial relationships existing between Cuba and Canada that are regulated under the agreement embodied in the exchange of notes signed March 31st, 1951, which shall expire on the last day of the present year.

2. I beg to advise Your Excellency that my government has decided not, repeat not, to renew, for the next eighteen months, the agreement contained in the aforementioned exchange of notes. My government hopes, in that period of time, to observe the operation of the International Sugar Agreement as well as the effects that its operation may have on foreign trade with Cuba.

3. This decision does not, repeat not, mean that my government is disinterested in the course of commercial relationships of Cuba with Canada. On the contrary, my government hopes and trusts that the advantageous position that Canadian products enjoy in Cuba continues adequately to correspond with the importation into Canada of Cuban products, since stability and furtherance of trade between our two countries must of necessity arise from mutually satisfactory bases.

4. Complimentary closing. Signed Miguel Angel Campa. Note ends.

444. DEA/288-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur à Cuba

Secretary of State for External Affairs
to Ambassador in Cuba

TELEGRAM 2 Ottawa, January 8, 1954

CONFIDENTIAL

CANADA-CUBA COMMERCIAL RELATIONS

Reference: Your Telegram No. 69 of December 30.

Following is text of Note for you to present to the Cubans in reply to their Note of December 29th, Begins: "I have the honour to acknowledge receipt of your note dated December 29, in which you advise that the Cuban Government has decided not to request renewal, for the next 18 months, of the arrangement made between Canada and Cuba on March 31, 1951. It will be remembered that the Canadian Government recently indicated its willingness to consider arrangements for a further period to ensure the importation of Cuban raw sugar if the Cuban Government so desired.

"I wish to take this opportunity again to assure your Government that the Canadian Government is keenly interested in the continuation and furtherance of mutually satisfactory trade relations between our two countries. In recognition of the fact that sound international trade must flow in both directions, the Canadian Government seeks in many ways to promote import trade as well as to expand the sale of Canadian goods abroad.

"It is hoped that Cuban exporters will continue to take advantage of the opportunities existing in the Canadian market for Cuban goods, and of the facilities provided by the Canadian Government to assist and promote such trade. My Government is confident that, through earnest efforts in both Canada and Cuba, the commercial relations between the two countries will be further developed and strengthened." Ends.

SECTION C

ACCORD INTERNATIONAL SUR LE BLÉ
INTERNATIONAL WHEAT AGREEMENT

445. DEA/4171-E-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs to High Commissioner in United Kingdom

DESPATCH I.C. 2267 Ottawa, December 3, 1952

CANADIAN DELEGATION TO RESUMED 8TH SESSION INTERNATIONAL WHEAT COUNCIL, WASHINGTON, BEGINNING JANUARY 30, 1953, AND TO THE 11TH SESSION, JANUARY 31, 1953

The 8th Session of the International Wheat Council, which adjourned in London last May, will resume in Washington on January 30, 1953, and will continue for possibly a month. The first statutory session of the 1952-1953 crop year, which will be the 11th Session of the Council, will also be held in Washington, but will only last one day and will probably be held on January 31.

2. The Canadian Delegation to these meetings will be the same as was the delegation to the meeting which adjourned in London last May, except for the changes caused by the holding of the meeting in Washington instead of London. Thus, the Canadian Wheat Board's London representative will be replaced by the Board's Washington representative, Mr. C.C. Boxer, and the External Affairs adviser will be Dr. W.C. Hopper, Agricultural Counsellor, Canadian Embassy, Washington. In addition, Mr. H.B. Monk, the Board's solicitor, is being added as an adviser.

3. The Canadian Delegation will thus be composed of the following persons:

Delegate:	M.W. Sharp, Associate Deputy Minister of Trade and Commerce
Alternate Delegates:	W.C. McNamara, Assistant Chief Commissioner of the Canadian Wheat Board
	C.F. Wilson, Agricultural Counsellor Canadian Embassy, Rome, Italy

Advisers:

J.E. Brownlee, President
United Grain Growers Limited
Wes Coates, Director
Saskatchewan Farmers' Union
W.J. Parker, President
Manitoba Wheat Pool
Ben Plumer, Chairman
Alberta Wheat Pool
J.H. Wesson, President
Saskatchewan Wheat Pool
C.C. Boxer, Washington Representative
Canadian Wheat Board
H.B. Monk, Solicitor
Canadian Wheat Board, Winnipeg
Dr. W.C. Hopper, Agricultural Counsellor
Canadian Embassy, Washington.

4. In addition to the official Delegation, the following will probably be attending as observers:

H.L. Griffin, United Grain Growers Ltd.
M.W. Porter, Alberta Wheat Pool
George Robertson, Saskatchewan Wheat Pool.

5. I should be grateful, therefore, if you would notify the Chairman of the International Wheat Council that the Canadian Delegation to the resumed 8th Session and to the 11th Session will consist of the above named persons. It will also be in order to advise the Chairman that the address of the entire Delegation, with the exception of Mr. Boxer and Dr. Hopper, will be the Shoreham Hotel. Mr. Boxer's and Dr. Hopper's address is c/o the Canadian Embassy.

R.M. MACDONNELL
for Secretary of State for External Affairs

446. DEA/4171-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-283 Washington, February 4, 1953

SECRET. IMMEDIATE.

Following for Oliver Master, Dept. of Trade and Commerce, repeated to G.N. Vogel, Dept. of Trade and Commerce, from Mitchell W. Sharp, Begins: The following is the text of statement made by Mitchell Sharp today to the International Wheat Council:

During the first part of this eighth session held in London, the Canadian delegation on several occasions stated its position with respect to the terms of a renewed agreement. I could, at this time, simply refer to the record of proceedings and say that our position remains in general terms what it was some nine months ago.

But, while this is so, I would not wish to leave the impression that there has not been further consideration of the issue in Canada since we met in London last spring. As some of the delegates may know, every major farm organization in Canada has debated the question of renewal, not on one but on several occasions. I am happy to say that executive members of five of those farm organizations are on the Canadian delegation as advisers, just as they were in London. The views that I shall express at this time about Canada's attitude to renewal are, therefore, not based simply on a desire to begin negotiations from the point where we left off some nine months ago, but rather are the result of a careful re-examination of the position in the light of subsequent events.

Furthermore, Mr. Morse, the United States delegate, has put forward some new proposals and a number of the importing countries have given us the benefits of their views, upon which we would like to comment.

I therefore intend, in as few words as I can, to state the Canadian position and to give the reasons why we believe our proposals are reasonable and should commend themselves to the members of the Council.

For the benefit of delegates who may not be familiar with Canadian grain marketing methods, may I remind members of the Council that the prices and quotas in the present agreement, and that may be in a renewed agreement, have a direct effect on the returns received by the Canadian producer. To all intents and purposes, the western Canadian wheat grower is a party to this agreement. For the amount of the Canadian quota he is subject to the maximum and minimum prices. The Canadian Wheat Board receives all his wheat. The Board is directed to fulfil Canada's obligations under the agreement. The returns for wheat sold under the agreement are pooled along with the returns received for wheat sold outside the agreement and the total proceeds distributed to producers in proportion to deliveries.

I have described the Canadian system because I wish all delegates to understand that when Canada urges a higher range of prices under the IWA, she does so not in order to minimize government expenditures or to underwrite domestic agricultural policies. The purpose is simply to stabilize returns to producers at a level which will encourage wheat to be supplied in sufficient quantities to meet importers' requirements.

Canadian producers and the Canadian Government have expressed themselves publicly as being in favour, in principle, of a renewal of the International Wheat Agreement. Every major farm organization in western Canada has, within the past few weeks, passed resolutions to that effect. But, in all cases, a condition is attached, namely, that there must be a substantial increase in the maximum and minimum prices.

It is significant and hopeful for the future of the agreement that despite the fact that prices have been restrained by the ceiling throughout the term of the present agreement, Canadian producers support the continuation of an agreement, in principle. That support is evidence of a deeply held conviction that it is desirable and possible through international co-operation to prevent wide swings in prices. It is evidence that Canadian wheat growers are prepared to accept some limitation on

the prices they might receive in order to obtain the protection of an assured market at the minimum.

This support should not be interpreted, however, as an indication that either the Canadian producer or the Canadian Government will be easily satisfied. Mr. Morse has spoken about the desire of the United States Congress to reduce the size of the subsidy on exports of wheat from that country. In Canada we do not have that particular problem but I can assure all my fellow delegates that our parliament is just as sensitive to farm opinion as any legislative body in any country. A new agreement must commend itself to wheat producers, government and parliament as being just and reasonable.

The alternative is to market all our wheat, not just a portion of it, without an agreement. As far as we are concerned, this is a less desirable alternative but it is one that has been faced up to in Canada. My Minister, the Right Honourable C.D. Howe, Minister of Trade and Commerce, has said that Canada is in favour of a renewal of the agreement but that we can, if we have to, get along very well without one.

To us in Canada the central question is not whether there should be an increase in prices in a new agreement. Canada will not sign a new agreement at the prices in the present agreement. The question is rather how much of an increase there should be in order to justify Canadian producers and the Canadian Government in committing themselves to an agreement for another period of years.

In 1949 it was widely believed that prices were on the decline. The initial range of $1.50 to $1.80 is itself an indication of that belief. Delegates will recall that the maximum was 20 cents below the maximum agreed to by the delegates a year earlier. The declining floor could only have been justified by a bearish view.

Prices did not fall. They rose and remained at high levels. There was never any prospect that prices would fall even to the $1.50 floor fixed for the first year, far less to the receding levels of subsequent years. If prices had risen suddenly in response to temporary influence like the Korean war or crop failures, and then had come down again to the kind of levels anticipated when the 1949 agreement was entered into, the case for a substantial increase in the range of prices would have been of more doubtful validity. The fact of the matter is that wheat sold under the International Wheat Agreement has always been a big bargain and is so today.

It is necessary to think in quite different terms today from those we accepted in 1949, or for that matter in 1948. The whole structure of prices and costs has moved upward. Nowhere is this better demonstrated, perhaps, than in the adjustments that have had to be made since pre-Korea days in returns to wheat farmers in those countries where prices are fixed or supported by governments. Pre-Korea prices will not call forth the production of wheat needed by the world today.

It would not, we submit, be in accordance with the purposes of the agreement to put the maximum at such a level that it was likely to fix the price of wheat throughout all or most of the term of a new agreement. That would be a one-sided arrangement without any advantage whatever to the exporter. Equally, it would not be in accordance with the purposes of the agreement or of any advantage to importers to

put the minimum so high as to have the likely effect of fixing the price at that level throughout all or most of the term of a new agreement.

The Canadian view is that the rising trend of world consumption, the rising trend of production costs and the prospects for production in the next few years all justify a substantial upward revision in the range of maximum and minimum prices.

Some delegates may feel that this position is inconsistent with the comparatively large stocks that are being held in Canada at the present time. I would point out that these stocks accumulated not because IWA prices encouraged excessive wheat production in Canada; on the contrary, total acreage declined during the period of the agreement. These stocks accumulated as a result of the three consecutive years of unusually favourable moisture conditions in the Canadian west — 1950, 1951 and 1952, when 1,620,000,000 bushels were produced. The 1952 crop, amounting to 664 million bushels, exceeded the previous record by 120 million bushels. Furthermore, these stocks accumulated not because of falling demand but in spite of exceptionally large export clearances.

We do not expect that nature will always be so bountiful. The best anyone can look forward to over the next few years is average crops, and those only if the weather is average. Western farmers are optimistic by nature but even they are concerned about the dry soil conditions that extend from the United States southwest up into Canada which were emphasized by Mr. Morse, the distinguished leader of the United States delegation, when he spoke to us the day before yesterday.

Accordingly, we in Canada are not at all worried by our present stocks. We look upon them as a fortuitous but valuable reserve that will be useful to have whatever happens, and indispensable if adverse conditions are encountered in the next few years.

On the question of price, therefore, the Canadian position remains as it was in London: That a minimum of $1.75 and a maximum of $2.25, exclusive of carrying charges, would be just and reasonable and likely to afford protection to both exporters and importers over a period of four years.

The Canadian delegation has given very careful consideration to the views expressed by Mr. Morse, the United States delegate, on the question of price. For the two year period proposed by Mr. Morse, it is not in our view unreasonable that he should stand by the price range put forward by the United States delegation in London, pending some indication of the response of the importers to the offers put forward by the various exporting countries.

Canada, however, prefers a longer period and would be prepared to accept the lower range of prices I have indicated if the agreement is for four years.

We can understand and sympathize with the desire of the United States Administration to bring the duration of an international agreement into line with United States domestic legislation. But we doubt whether an agreement for two years has much to offer Canada, or any other country, that is looking for a greater degree of stability of prices and of markets or supplies than is provided by the unrestricted operation of the open market. If stability means anything it means stability over a reasonably long period of time.

Since we met in London, a committee has been considering the question of flexibility. It has produced an excellent paper on the subject and I would like to join with the chairman in congratulating those who were responsible. The Canadian delegation has read that paper with great interest. The enormous complexities involved in constructing an index which would be satisfactory to all members for the purpose of periodic revision of the price range are only too evident. Whether we shall be able to find something acceptable, yet reasonably understandable, we do not know. Our producers continue to be interested in the general idea of flexibility and we shall continue the search.

Concerning quantities, Canada is prepared, if prices are right, to attempt to supply as much as she feels will be available of suitable qualities year in and year out during the term of a new agreement. The quantity that Canada has considered prudent to put into the agreement, having in mind the high degree of variability in Canadian yields, has been a relatively constant one through the years of negotiation and operation of the present agreement. In 1947 Canada offered a quantity of 230 million bushels, which was just below the export availability from an average yield on the existing wheat acreage in Canada. This figure was offered again in 1948 and 1949. When importing countries indicated an interest in additional quantities in the course of the present agreement, Canada offered up to 235 million bushels. This figure represented the maximum availability we felt we could depend upon delivering, and in this respect we went further than the importing countries had gone when, generally speaking, they had put into the agreement about 75 percent of their import requirements. Because of the applications for increased quantities which have been made by many of the importing countries in recent years, we have given particular consideration to the extent of the Canadian guaranteed quantity. Primarily, because we do not wish to risk any shortfall in our commitments, we would prefer not to be beyond 235 million bushels in any renewal of the agreement. Our position is subject to review, however, if there is an indication that additional quantities are desired and a price range negotiated that we consider adequate for the next few years. On the other hand, if the importing countries are not prepared to meet us on price, the interest of our producers would compel us to offer a smaller quantity within the agreement, in order that our producers can make up, through sales outside the agreement, an average price sufficient to be an incentive to their production.

I have dealt thus far with what we consider to be the major issues: price, quantity and duration. Some importing countries, however, consider a revision of the provisions relating to settlement of disputes to be a major consideration in any renewal of the agreement. Canadian views are set out fully in the report of the committee dealing with this matter and there is very little that I need to say here. We have yet to be persuaded that it would be wise, or in the interests of either exporters or importers, to attempt to settle disputes that may arise other than through the International Wheat Council itself.

Mr. Chairman: I have endeavoured to set forth the Canadian position and why we take that position. We put these views forward not on a take it or leave it basis, but as a contribution to the process of mutual persuasion which is the essence of bargaining. We believe that these views are reasonable and fair and should com-

mend themselves to other members. Needless to say, however, we are prepared to listen to and consider different views. Ends.

447. DEA/4171-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-293 Washington, February 5, 1953

SECRET

INTERNATIONAL WHEAT COUNCIL

Following for O. Master, Department of Trade and Commerce, repeat G.N. Vogel, from Sharp, Begins: Sessions of the Council resumed yesterday. Tuesday, the importers met both morning and afternoon to discuss membership of proposed committees and their reply to the speech by Morse of the United States.

2. Van Essche of Belgium, Chairman of the Importers Committee, led off the discussion yesterday with a statement expressing the joint views of the importers. In the main they follow the same lines as the joint statement made by the importers in London when the United States first put forward its offer of the $1.90 to $2.50 range. It expressed extreme disappointment that the United States had not modified its position but it did not say that the importers felt that a continuation of prices under the present agreement was a satisfactory basis for renewal. Because it implied that Canada and Australia might hold similar views to the United States, I felt it desirable to make the Canadian statement immediately. That this was a sound decision was soon evidenced by the nature of the individual statements made by various importers immediately following the Canadian statement. Obviously, the importers who spoke had hoped to be able to speak with indignation about the uncooperative attitude of the United States but they were forced to qualify their criticism in the light of our temperate and conciliatory statement.

3. Feveryear[38] of the United Kingdom waited until the end to state his case which he did with considerable vigour. This gave an opportunity for McCarthy of Australia to make an effective rebuttal and to place on the record Australia's position which coincided with ours, namely, an opening range of $1.75 to $2.25 for a four year period. McCarthy did not say anything about quantities.

4. Yesterday afternoon committees were established to deal with

(1) Prices and quantities;

(2) Arbitration and

[38] Sir Albert Feveryear, délégation du Royaume-Uni au Conseil international du blé.
Sir Albert Feveryear, Delegation of United Kingdom to International Wheat Council.

(3) Committee of the whole to review the articles of the agreement other than prices and quantities.

The committee on prices and quantities consists of the United States, Canada and Australia for the exporters, and eight importers. It was also decided to permit a limited number of observers from countries not on this committee. The committee on arbitration consists of the United States and Canada for the exporters, and five importers. The committee on prices and quantities will begin its work this afternoon. The committee of the whole began its review of the articles of the agreement yesterday.

5. Since the importing countries have so far confined themselves to criticisms that the offers put forward by exporting countries are unreasonable but have failed to put forward a counter-proposal which they would consider reasonable, the exporting countries do not intend to modify their initial positions for the time being. It is hoped that the present stalemate can be broken in the Prices and Quantities Committee. Ends.

448. DEA/4171-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-325 Washington, February 7, 1953

SECRET. IMMEDIATE.

INTERNATIONAL WHEAT AGREEMENT

Following for W. Frederick Bull, Dept. of Trade and Commerce, repeat G.N. Vogel from M.W. Sharp, Begins: The Committee on Prices and Quantities has had two meetings. On Thursday, February 5th, the exporters said they were waiting for the response of the importers to the statements made by them. The importers replied that they had indicated that they considered the American proposal of $1.90 to $2.50 as being quite out of the question and that the Canadian and Australian prices were also too high. I pointed out that the three exporters were agreed on one point, namely that they would not renew the agreement at the maximum and minimum prices in the present agreement, and that the exporters should know as soon as possible whether the importers were prepared to begin negotiating at higher prices. The Committee then adjourned to give both exporters and importers an opportunity to consider whether they could make any concessions in order to break the deadlock. At the exporters meeting which followed immediately, McCarthy of Australia said that he intended to approach some of the importers to suggest that they should make a proposal to the effect that they were prepared to offer a range at some stated level above the range in the present agreement on condition that the United States should come down to the Canadian and Australian level.

2. At Friday's meeting of the Prices and Quantities Committee, Feveryear opened on behalf of the importing countries and made three statements:

(1) That a number of importing countries, which had instructions not to exceed the prices in the present agreement, were cabling home for authority to begin negotiating at a higher range;

(2) That the importing countries were unanimously agreed that they would not enter into a new agreement with a ceiling as high as $2.25;

(3) That the importing countries would, if they obtained the authority from their governments, be prepared to make an offer at prices higher than in the present agreement provided the exporters would come down from the $1.75 to $2.25 range. After a short discussion the Committee adjourned to meet again when a sufficient number of importing countries had received a reply in response to their request for further instructions.

3. Immediately following Friday's meeting of the Committee, I asked the exporters to meet so that I could inform the United States delegation that Canada would not make concessions easily from the position of $1.75 to $2.25, and that we would consult with them before making any concessions in an endeavour to maintain a solid front against the importers. I added that Canada could not, of course, agree to act only in concert with the United States. McCarthy assured the Americans that Australia would likewise co-operate closely with the United States.

4. We are, therefore, in the position of having defined the limits of agreement. On the one hand the exporters will not consider an agreement at the range of prices in the present agreement, and on the other hand the importers will not agree to a maximum as high as $2.25. Fitzgerald,[39] who led for the Americans at Friday's meeting, said that he had an appointment with the Secretary of Agriculture Saturday morning when the views of the importers would be made known to Benson.[40]

[39] De la Mutual Security Agency des États-Unis.
Of Mutual Security Agency of United States.

[40] Ezra Taft Benson, secrétaire à l'Agriculture des États-Unis.
Ezra Taft Benson, Secretary of Agriculture of United States.

449. DEA/4171-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-339 Washington, February 10, 1953

SECRET. IMMEDIATE.

INTERNATIONAL WHEAT AGREEMENT

Following for Rt. Hon. C.D. Howe, Minister of Trade and Commerce, repeat to Mr. G.N. Vogel, Department of Trade and Commerce, from M.W. Sharp, Begins: Committee of the Whole met yesterday morning, February 9th, and discussed the question of resale. There seems no doubt that a majority of the Council is of the opinion that resale should not be permitted at a profit. The form of amendment to achieve this purpose has yet to be settled, however, and a sub-committee was set up at the conclusion of this meeting to bring forward a draft.

2. In the afternoon, the exporters met in the office of Mr. Morse[41] in the Department of Agriculture to consider the form of a reply to the position stated by the importers at the last meeting of the Prices and Quantities Committee, referred to in my message of Saturday, February 7th. The Americans are still uncertain as to general tactics. McNamara and I, who attended the meeting for Canada, advised them to express gratification that the importers are prepared to begin negotiating at a level of prices higher than in the present agreement, if, in fact, they do declare themselves. They should then go on to say that they have noted that the importers are not prepared to pay a ceiling as high as $2.25, and that before stating whether they are prepared to accept that condition they would like to have some evidence of the willingness of the importers to pay prices significantly above those in the present agreement. McCarthy of Australia generally agreed with this line although I think he would like the Untied States to declare now that it would be prepared to accept an agreement with a ceiling not higher than $2.25.

3. During a general discussion McCarthy said that he did not think the importers could be pushed beyond $2.10, exclusive of carrying charges. There was no reaction from the United States to this observation which confirms our impression that this is within range of the figure to which the United States might agree. However, it is clear that the Americans are feeling their way carefully and we do not feel that at this stage we should push them too hard. We assured them again that we would not retreat from the range of $1.75 to $2.25 without consultation with them.

4. During the afternoon's discussion, Morse received a note which he read to us that the Chicago market had declined seven cents. Ends.

[41] T.D. Morse, sous-secrétaire à l'Agriculture des États-Unis.
T.D. Morse, Under-Secretary of Agriculture of United States.

450. C.D.H./S.48-W-23

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELEGRAM WA-370 Washington, February 12, 1953

SECRET. IMMEDIATE.

Following for Rt. Hon. C.D. Howe, Minister of Trade and Commerce, repeated to Mr. G.N. Vogel, Department of Trade and Commerce, from M.W. Sharp, Begins: Pleased to hear from Vogel that you arrived home in good health and spirits.

2. Committee on Prices and Quantities met again Tuesday afternoon. Fitzgerald for the United States followed the general lines suggested by us and the Australians. The importers, however, did not make an opening bid and, in general, the stalemate continued. Australia and Canada supported the position of the United States that it was up to the importers to make some response to the offers of the exporters. The importers continue to argue that they are faced with an impossible situation so long as the Americans refuse to join with Canada and Australia on a range of $1.75 to $2.25. The importers had noted, however, that while Fitzgerald did not accept the importers condition of a ceiling below $2.25, he did not threaten to break off negotiations.

3. Following the meeting of the Prices and Quantities Committee, I met with Fitzgerald in his office at the Mutual Security Agency. Fitzgerald confirmed the impression we had formed that Benson and Morse are taking a more conservative view than the Congress. During informal talks with members of Congress and farm leaders, several of our farm advisers discovered considerable enthusiasm for continuation of the agreement. The administration, however, is concerned particularly about the rather indifferent attitude of the Farm Bureau which is strongly Republican. I suggested to Fitzgerald that I had heard that the Senate would be satisfied if the subsidy cost were reduced by one-half, which implied an increase in the ceiling of say 25 to 30 cents. Fitzgerald did not deny this but suggested that the figure was in the area of 30 cents or a little higher. As a guess, therefore, it would appear that the administration might be prepared to recommend an agreement with a ceiling at around $2.10 plus carrying charges or $2.15 including carrying charges.

4. Fitzgerald put forward three ideas calculated to break the present deadlock. Two of these were obviously out of the question but the third I promised to discuss with the Canadian delegation, namely that the exporters would be prepared to make concessions from a ceiling of $2.25 if the importers would make a bid at the floor above $1.60. Wednesday morning the Canadian delegation met to discuss the previous day's developments. Fitzgerald's idea was considered at length and while it was not rejected out of hand, the general consensus was that it would be inadvisable to make such a proposal in the Committee at the present time, since it would be

interpreted as an indication that Canada was putting forward a new proposal of $1.60 to $2.10.

5. The exporters met at 11 a.m. Wednesday in Morse's office. In the main the discussion was repetitious, but we came away with the impression that the United States would not consider as reasonable an offer by the importers of a ceiling below $1.95. In other words, the Americans would not come into line with Canada and Australia on the $1.75 to $2.25 offer unless the importers put forward a counter-offer to Canada and Australia at a ceiling of not less than $1.95. In fact, one might have gained the impression from what Morse said that the only opening bid from the importers that he would act upon would be a ceiling of $2.00 or above. Clearly the United States would like to see the bargaining open with the importers offering $2.00 and the exporters prepared to come down to $2.20.

6. At lunch Wednesday we entertained the Japanese delegate. As you know, Japan would like to obtain a very substantial increase in its quota. In the importers meeting, however, Japan has found itself faced with refusal by other importers to give up any of their present quotas. There is no inherent right to established quotas in a new agreement, but neither does there appear to be any procedure whereby a country like Japan can outbid other importers. The present agreement only provides that the Council shall transmit recommendations for renewal to governments. It does not make specific provision for voting rights during consideration of such recommendations. The Japanese delegate asked if our counsel would advise him as to the legal position and how he might best proceed to accomplish his objectives. This conversation provides an interesting commentary on the struggle that is going on amongst importers over prices and quantities. The Japanese do not conceal the fact that they are prepared to pay higher prices than many of the other importers in order to obtain the quantities they desire.

7. At 4.15 p.m. Wednesday afternoon, Anderson[42] asked representatives of the exporters to meet with him so that he could transmit to them certain statements and proposals made by the importers. McCarthy of Australia, Rossiter[43] of the United States, Janton[44] of France and myself attended the meeting at which Anderson transmitted the following message from the importers:

(1) the importers see no purpose in having further meetings of the Prices and Quantities Committee until some means has been found of resolving the present deadlock;

(2) 30 importing countries, representing 944 votes out of 1,000, are prepared to pay prices higher than in the present agreement;

---

[42] Président du Conseil international du blé.
Chairman, International Wheat Council.

[43] Du département de l'Agriculture des États-Unis.
Of Department of Agriculture of United States.

[44] Georges Janton, chef de la délégation de la France au Conseil international du blé et à l'Organisation internationale du sucre.
Georges Janton, Head, Delegation of France to International Wheat Council and International Sugar Council.

(3) importers are unanimous that they are not prepared to propose any figure higher than in the present agreement until exporters, as a whole, make it plain that provided other terms are satisfactory they are agreed that they will be prepared to sign an agreement incorporating a maximum of less than $2.25.

8. The exporters said that they agreed with the first point, that they noted the second and were pleased that such a high proportion of the importers were ready to talk prices higher than in the present agreement, and that they would consider the third proposal. Rossiter explained that Benson would be out of town until Thursday afternoon and that he would personally wish to consider the position before making a reply. McCarthy and I urged upon Rossiter the desirability of giving an affirmative reply to the third proposal, pointing out that the United States or any other exporters for that matter, would be free to withhold any counter-proposal below a maximum of $2.25 if the offer put forward by the importers was not high enough. We pointed out, for example, that the United States could refuse to make any counter-proposal below $2.25 if the importers offered a ceiling of, say, $1.85 or even $1.90.

9. The Committee of the Whole meets again Thursday morning to continue discussion of the agreement article by article. Ends.

451. C.D.H./S.48-W-23

Extrait d'une lettre du ministre du Commerce au sous-ministre associé du Commerce

Extract from Letter from Minister of Trade and Commerce to Associate Deputy Minister of Trade and Commerce

[Ottawa], February 12, 1953

Dear Mitchell [Sharp],

Thanks for your message of February 12th, which I have read with great interest.

It would seem to me that there is still a fair prospect of an agreement for a maximum of about $2.10 which in my opinion is plenty high, even if this includes the carrying charge. This, with a floor price of $1.60, would in my opinion please everybody except the Americans, but I think that even they will in the end see the value of a wheat agreement at a definite price range.

I do not envy you your job in Washington, but I know that you will exercise patience necessary to bring the parties into some form of agreement. I have been surprised to find how unanimous the opinion on the Prairies is for a wheat agreement, and it will be a great disappointment if one cannot be completed.

. . .

With best regards,

Yours sincerely,

[C.D. Howe]

452. DEA/4171-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-384 Washington, February 13, 1953

SECRET. MOST IMMEDIATE.

Following for Rt. Hon. C.D. Howe, repeat to Mr. G.N. Vogel, Department of Trade and Commerce, from M.W. Sharp, Begins: In reply to the proposal made by the importers reported in my previous message, the exporters have said as follows:

"United States, Canada, Australia and France contemplate an agreement embodying a maximum less than $2.25."

The exporters have also informed Anderson that there is no use calling any further meetings of the Prices and Quantities Committee until negotiations can begin within a range of maximum prices above $2.00 and below $2.25.

2. This bargaining range was communicated to Anderson so as to forestall offers from the importers of a maximum as low as $1.90 which would prejudice future bargaining. We understand that the importers were wavering between $1.90 and $1.95 and our message should have the effect of evolving a first offer of not less than $1.95. Ends.

453. DEA/4171-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-424 Washington, February 18, 1953

SECRET

Following for Honourable C.D. Howe, repeat to G.N. Vogel, Department of Trade and Commerce, from Mitchell Sharp, Begins: Exporters met, following receipt of "final offer" from importers, contents of which were telephoned to Ottawa on February 16th, and today presented following statement of Prices and Quantities Committee:

The exporting countries have given serious consideration to the offer put forward on behalf of the importing countries at the meeting of the Prices and Quantities Committee, February 16th. None of the exporting countries is able to accept the proposed range of $1.40 minimum and $1.95 maximum. The proposed maximum of $1.95, inclusive of carrying charges

(1) Is only 9 cents above the prices now being paid for wheat under the 1949 agreement, notwithstanding the substantial increase in costs and general world prices since that date;

(2) Is 26 cents below the current Canadian class II price and about 40 cents below United States prices outside the agreement.

The proposed minimum price of $1.40

(1) Is 10 cents below the minimum price agreed for the first year of the 1949 agreement;

(2) Has not been approached by prices of wheat under the agreement or on the open market for more than eight years;

(3) In short, offers so little security to the exporters that there is virtually no reason for the exporters to concede a maximum price at any level.

Exporters are ready to enter into a new agreement. In answer to enquiry by the importers, the exporters advised them through the chairman that they could contemplate a new agreement embodying a maximum below $2.25, exclusive of carrying charges. At the same time the exporters told the chairman that there would be no point in calling any further meetings of the Prices and Quantities Committee until negotiations could begin within a range of maximum prices above $2.00 and below $2.25. Exporters now wish formally to confirm that this is their unanimous position.

The exporting countries still hope that importers, or at least delegations from countries representing a sufficient volume of wheat imports, will be able to get authority from their governments which will enable them to contemplate an agreement embodying a maximum price above $2.00, exclusive of carrying charges. Upon advice that this is so, the exporting countries are prepared to make further specific proposals.

Exporters' representatives wish to observe further that as other conditions mentioned in the importers' proposals are the subject of consideration by committees, they consider it would be appropriate to await the report of those committees before coming to conclusions. Ends.

454. DEA/4171-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-445 Washington, February 19, 1953

SECRET. IMMEDIATE.

Following for Right Hon. C.D. Howe, Minister of Trade and Commerce, repeat to G.N. Vogel, Dept. Trade and Commerce from M.W. Sharp, Begins: Early Thursday morning, February 19, Anderson, the Chairman of the Council, informed McCarthy and myself that he had received a message from the importers to the effect that they are not prepared to make another offer. This did not come as a surprise. It was quite clear that most of the importers had come to the limit of their instructions and that it would be extremely difficult for them to seek new instructions empowering them to negotiate a maximum above $2.00 unless they had some idea of the range of prices at which the exporters were prepared to sign.

2. When he received this message Anderson had some further conversation with the importers and he gathered the impression that the importers refused to be "dragged up" step by step. They felt that having made an initial offer it was for the exporters to make a counter proposal.

3. Anderson then suggested that the time had come for private talks between two or three importers and two or three exporters. McCarthy and I agreed. I have, therefore, put in a call for Morse of the United States, and McCarthy and I intend to see him alone. We may make the suggestion that he should be ready to see Feveryear of the United Kingdom if Feveryear makes an approach. I might add that the Americans seem to be rather offended that none of the importers has made any attempt to get in touch with them. Our hope is that out of this meeting between Feveryear and Morse will come the suggestion for a frank discussion between not more than four or six representatives of the importers and exporters.

4. All the committees are back to work except, of course, the Prices and Quantities Committee which is adjourned pending the outcome of the discussions to which I have already referred. At the meeting of the Steering Committee yesterday there was a long discussion of the voting procedure to be followed in making recommendations to governments for a renewal of the agreement. This discussion was inconclusive but Anderson said that he would endeavour to determine the weight of opinion on various proposals in the hope of persuading the minority to accept the view of the majority on particular issues. In the end, of course, there will be a good deal of trading between exporters and importers, the one side agreeing to drop a particular proposal if the other side will drop a proposal which it favours.

5. The Argentine Embassy has received instructions from its government to now state that Argentina has a definite and serious interest in the wheat agreement and that accession would be considered. They were not, however, in a position to indi-

cate a definite quantity that they might be prepared to offer under the agreement, but said that it would be substantial. At Wednesday's meeting of the Steering Committee it was decided to invite Argentine representatives to make a statement.

455. DEA/4171-D-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELEGRAM WA-467 Washington, February 20, 1953

SECRET. IMMEDIATE.

Following for Right Honourable C.D. Howe, Minister of Trade and Commerce, repeat to Mr. G.N. Vogel, Department of Trade and Commerce from M.W. Sharp, Begins: McCarthy of Australia and I had a short 15 minute interview with Morse of the United States at noon on Thursday, February 19, and a two hour session at 8 o'clock Thursday evening. I conveyed to him your view that a breakdown of the negotiations would have serious consequences and might lead to most undesirable developments in the wheat trade. We were anxious to avoid bi-lateral contracts and we knew that a number of importing countries were ready to approach us as soon as the current negotiations broke down. We did not think that the United States would wish to have to resort to competitive subsidization in order to retain a fair share of the market. I had my instructions on prices but unless he wished me to reveal them to him I would not do so until actual price negotiations required me to ask for further instructions.

2. McCarthy supported me in saying that Australia also took a serious view of any possible breakdown. He had received instructions from his government to be prepared to agree to a maximum of $2.10 including carrying charges but, of course, he did not wish to suggest any such prices at the present time. He urged Morse to consider the desirability of a joint offer from the exporters of $2.15 plus carrying charges in response to the importers' offer of $1.40 to $1.95. McCarthy pointed out that the importers were in a very difficult position to seek further instructions until they knew what the exporters were asking.

3. Morse said that he, too, hoped the negotiations would not break down. At the outset of the discussions there was considerable hostility towards an agreement and very little support. Over the past few weeks this attitude had changed until now there was considerable support. He found it difficult, however, to go back to his advisers and ask them to agree to name a price when the best the importers could offer was $1.40 to $1.95, together with a number of other conditions regarding arbitration, carrying charges, etc. Morse was concerned lest any price agreed to now should appear to be very low if, as might well happen, crop failures push the American prices up to higher levels. I formed the impression that the Americans had not yet decided what price would be acceptable to them and that it would take a good deal of discussion amongst their advisers in order to determine that level.

4. I suggested that it might be helpful to further progress if we could now resolve the question of carrying charges. Both Morse and McCarthy seemed to favour this idea and hoped that we could take the initiative. At a meeting of the Canadian delegation Friday morning, February 20, we discussed carrying charges and its relation to arbitration, and there seemed to be fairly general agreement that, if possible, we should try to trade the one off against the other.

5. Friday morning I had a private talk with Sir Albert Feveryear of the United Kingdom. I told him that we were still very strongly opposed to any form of appeal from decisions of the Wheat Council and that we would not alter this position, either in committee or in the Council, for the time being. However, I asked him if he would let me know what was the minimum arbitration procedure that he could accept so that I might reconsider the position and see whether there was anything on which we might agree in order to resolve this contentious issue. I then went on to say that we had given very serious consideration to the question of carrying charges which had provoked the proposals for some form of arbitration. I said that I thought that the exporters might be able to agree to quote prices inclusive of the kind of carrying charges that were now being charged, although this, of course, could not be done without a corresponding adjustment of prices. I hoped that if the carrying charge issue was resolved, it would be possible at the same time to settle the question of arbitration.

6. I went on to speak about the state of the negotiations. I told him that all the exporters, and in particular the United States, had been offended by the offer put forward by the importers particularly by what we consider to be a very low floor price and the inclusion of items such as arbitration, carrying charges, etc. This document was standing in the way of further progress. We might be able, by negotiation, to clear up the ancillary questions but I did suggest that if the importers could, in some way or other, sweeten their offer, this might encourage the United States to make up its mind on prices and to join with the other exporters in making a counter proposal. Feveryear remarked that he did not think that we should press the Americans too hard at this stage; the United Kingdom were quite content to have the negotiations move slowly. In conclusion he remarked that if the United States had any hope that they could get prices of $2.10 or $2.15 they completely misunderstood the position of the importers. I suggested to him that while we might not at this Council meeting be able to reach finality and that a gap of ten cents might remain after we had exhausted our efforts, I was anxious that this stage should be reached without unnecessary delay so that governments, as a whole, could consider the position and decide whether the agreement should come to an end or should be continued.

7. There are no further meetings of the Council or its committees until Tuesday, February 24. Ends.

456. C.D.H./S.48-W-23

Extrait d'une lettre du sous-ministre associé du Commerce au ministre du Commerce

Extract from Letter from Associate Deputy Minister of Trade and Commerce to Minister of Trade and Commerce

Washington, February 25, 1953

Dear Mr. Howe:

I have tried in my messages through External Affairs to keep you abreast of latest developments in the Wheat Conference. I thought, however, that you might like to have my more personal reactions to what is going on.

The Americans are not making many friends. They disappointed everyone by adhering at the opening to the position they took in London. When they did finally agree to contemplate an agreement with a ceiling below $2.25, it looked as if the Conference was finally getting down to business. The Americans, however, treated the importers' offer of a $1.40 floor and a $1.95 ceiling with contempt and refused to make a counter proposal, insisting instead that the importers should revise their offer upwards to a ceiling price better than $2.00 plus carrying charges. The importers, with some justification, have been just as stubborn. They point out that they have no idea what the exporters want in the way of price and, therefore, they have no basis on which to go back to their governments for instruction. Suspicion is wide-spread amongst all delegates that the Americans, in fact, do not know what price they would be prepared to accept.

We have been doing our best to conciliate; on the one hand to try to get the importers to improve their offer somewhat, and on the other hand to try to get the Americans to put forward a definite proposal. In this we have not been conspicuously successful so far, although I think we are not wasting our time. From what we hear, the Americans are gradually becoming more realistic in their ideas, and I think the importers are finally persuaded that a ceiling price which does not begin with the numeral 2 will be quite unacceptable.

Morse is a *very* cautious man. Last week McCarthy and I suggested that he might see Feveryear alone and have a frank talk. He said that he was not prepared to do this, that he was inexperienced in international negotiations and was afraid that he might say something he would later regret. McCarthy and I found this attitude almost beyond belief, but it is a reflection of the uncertainty that surrounds nearly all aspects of American policy at the present time. We hesitate to push the Americans too hard under these circumstances because we want to be quite sure that if an agreement is signed it will be ratified by the Senate. Many of the importers, who do not understand American politics, feel that the Americans have been most discourteous to keep the representatives of 45 countries waiting around in Washington while they make up their minds.

The very fact that the Americans did not break up the Conference by stating impossible conditions for agreement is, to me, a helpful sign. I find it difficult to

believe that they would keep the Conference going if, in fact, they did not think there was some common ground between the importers and the exporters. It may be, however, that I am looking for hopeful signs.

The next important stage in the negotiations begins tomorrow when the exporting countries meet to review the position. McCarthy saw Feveryear yesterday in his hotel room, (he is undergoing a physical examination to determine the source of some stomach trouble he has been suffering recently). He put forward the following proposition:

That the importers should raise their offer by five cents a bushel provided the exporters name a price range with the ceiling at $2.15 *including* carrying charges.

Feveryear said this was a possibility so McCarthy intends to put it forward at the exporters' meeting tomorrow. I have no idea what the American reaction will be. They may not wish to make progress so rapidly. During my talk with Feveryear and during McCarthy's talk with him, we said that we did not think that the price would be decided without intervention from outside, in other words that there would be a gap of ten cents or so remaining which would have to be bridged at discussions between say the British and American governments, and perhaps with the help of the Canadian Government. We are both most anxious to reach this point as quickly as possible so as to save the time and expense of the delegates in Washington. Feveryear agreed that this was probably the situation. It may be, therefore, that one of these days I shall be looking for help from you, but in my opinion that time has not yet come.

Needless to say I am finding these negotiations far from inspiring and there is nothing I would like better than to be able to return to Ottawa and resume my normal activities, but as far as I can see it would be a mistake to act hastily. We are talking about hundreds of millions of dollars and an additional week or so may be time well spent.

. . .

Wes Coates motored to Ottawa over the long weekend and while there had private discussions with a number of Members of Parliament from all parties. Coates has been most unhappy since he arrived here. His instructions from Phelps are pretty limited. He was not to agree to a ceiling below $2.20 without further authority, and he knew that sooner or later we would have to come down to a point well below that level, probably to something between $2.05 and $2.10 in order to get an agreement. Much to his amazement, but not to ours, he found all the Members with whom he talked to be strongly in favour of an agreement at any reasonable price. Some of them spoke of a ceiling below $2.00. As a result, Coates has returned to the fold much happier and apparently prepared to fall into line with the rest of the delegation. . . .

Yours sincerely,

MITCHELL SHARP

457. C.D.H./S.48-W-23

Le sous-ministre associé du Commerce au ministre du Commerce

Associate Deputy Minister of Trade and Commerce to Minister of Trade and Commerce

Washington, February 28, 1953

Dear Mr. Howe:

In my last telegram I reported that the exporters had agreed to offer a ceiling of \$2.20 inclusive of carrying charges except those arising after date of sale, or \$2.15 plus a flat rate carrying charge not exceeding six cents. Anderson, the Chairman, reported this offer to the importers and asked a number of the more important importers whether they would be prepared to make a counter proposal above the \$1.40 — \$1.95 level.

Anderson asked McCarthy and me to meet him this morning to give the importers' reply. As we expected, the importers are unwilling to raise their price in response to the \$2.20 offer of the exporters. Anderson reported that the importers said they would be prepared to make a "substantial" improvement in their offer if the exporters would come down to a ceiling of \$2.10. If the exporters were only willing to go to \$2.15 this would be regarded by the importers as opening the way for future negotiation. The question of arbitration in relation to carrying charges was left over for further consideration and the figures to which Anderson referred were to be taken as inclusive of carrying charges, except those arising after date of sale.

In subsequent discussion, Anderson said that he understood that quite a number, if not all the importing countries, had instructions which authorized them to go to a ceiling of \$2.00. Since this was the limit of their instructions they were reluctant to go that far at such an early stage. He confirmed what he had said before that many of them could probably get revised instructions which would enable them to accept an offer of \$2.05 as a ceiling but that it would take a major effort to persuade them to accept a ceiling of \$2.10. In conclusion he said that while he was willing to continue to act as an intermediary between the importers and exporters, he also thought that consideration should be given to the possibility of direct negotiations.

McCarthy and I said that we would carry his message to Fitzgerald of the United States, but that we were quite convinced that the United States would be quite unprepared, as were we, to reduce the ceiling to \$2.15 unless the importers simultaneously came to \$2.00. Even this simultaneous tabling of \$2.00 and \$2.15 might be unacceptable to the United States at this time.

McCarthy, Wilson and I visited Fitzgerald in his office in the Mutual Security Agency just before lunch and we continued our discussions at lunch at the Lafayette. Fitzgerald confirmed what we had told Anderson that he was quite sure that the United States would not agree to a further reduction in the ceiling to \$2.15 without a simultaneous increase in the importers' offer up to \$2.00. He was very concerned about the arithmetic even if the two prices were offered together. The

importers might draw the conclusion that the exporters would settle at $2.07 or $2.08. However, Morse intended to call his trade and Congressional advisers together on Tuesday when there would be a full discussion of the situation.

We then proceeded to develop future strategy in the event that the United States was agreeable to beginning the final stages of negotiation from the $2.00 and $2.15 positions. We agreed that there was a danger that the importers would draw the conclusion that a price of $2.07 or $2.08 would be acceptable. As a first precaution we would make it clear to Anderson that this implication was not to be drawn from any such offer. I then outlined a plan which has been discussed fairly fully with the Canadian Delegation and, to some extent, with McCarthy. If and when we reached the $2.00 and $2.15 positions, we would sit tight at our offer of $2.15 refusing to move unless the importers were prepared to come to an offer of $2.05. If they did, we might then be able to compromise at $2.10 which, in Fitzgerald's view, is the best price that we can obtain from the importers. If, however, as is more likely to be the case, the importers refuse to raise their offer unless the exporters come down to $2.10, we would, as a group, hold firm for several days at $2.15 in order to establish the fact that we had very little leeway below that level. At an appropriate time Canada would announce that she was willing to enter into an agreement at a floor of $1.60 and a ceiling of $2.10, carrying charges included. Australia would join with us, but the United States would not on the grounds that they did not think that they could get Congressional support for an agreement with a ceiling as low as $2.10. At this stage the Conference might adjourn until governments had had an opportunity of deciding whether they were prepared to sign an agreement at this level. If Fitzgerald is right, the United States, after a couple of weeks, would announce that they were prepared to enter into an agreement at that price and to recommend it to Congress. It would then be up to the importers to decide whether an agreement at this level was worthwhile.

This strategy has several advantages. It strengthens rather than weakens the bargaining position of the United States because it enables them to hold firm to the lowest price at which they think they can get Congressional ratification. It establishes quite clearly the fact that an agreement could not be obtained at any *lower* price because it required a considerable time before the United States was willing to come to our level. There might be some slight criticism that we had under-cut the United States and that if we held out long enough we might have been able to get $2.15, but provided that every effort is made to induce the importers to pay $2.15, I think this criticism can be avoided.

Fitzgerald, I think, thought there was a great deal of merit to the idea and undoubtedly it will be discussed with the inner circle of American advisers. It would be fatal, of course, if the idea were revealed prematurely. During our discussions with Fitzgerald one other slight modification was discussed, namely that if the importers put a great deal of emphasis on the possibility of a declining market, we might concede five cents on the floor in order to retain a corresponding amount at the ceiling. But this sort of concession would only be made at the very conclusion of negotiations.

One of the most heartening things about recent developments is the interest that Fitzgerald is now taking in the negotiations. Up until now we have not felt that anyone on the American side was really interested in bringing about a satisfactory settlement, least of all Morse.

During the Council meetings we had a long discussion on the question of appeals from decisions of the Council, loosely referred to as arbitration. Charley Wilson[45] gave an excellent speech. The Italian delegate remarked to me that while he was not convinced by what Charley said, he would award him the prize for the best speech. I am pretty well satisfied that the new agreement will not include a provision for arbitration of disputes outside the Council, although the article will probably be amended to enable opinions to be sought from outside individuals or bodies prior to the taking of a final position in the Council.

Yours sincerely,

MITCHELL SHARP

458. C.D.H./S.48-W-23

Le ministre du Commerce au sous-ministre associé du Commerce

Minister of Trade and Commerce to Associate Deputy Minister of Trade and Commerce

[Ottawa], March 3, 1953

Dear Mitchell [Sharp],

Thanks for yours of February 28th and for explaining to me the strategy that has now been decided upon. I wish you could get the Americans to act a little faster, for I think that the importers must be getting fed up with the delay.

Personally, I would be satisfied with a $1.50 minimum and a maximum of $2.05, including carrying charges, but if your advisers think they can do better, there is no harm in trying. I think that everyone realizes that you cannot do better than $2.10, including carrying charges.

I hope that you can make further progress by the end of this week.

I appreciate your reports and hope that you will continue to keep me closely advised. If a visit to Washington by myself will help, I will be glad to make the visit.

Yours sincerely,

C.D. HOWE

[45] C.F. Wilson, conseiller (Agriculture), ambassade en Italie.
C.F. Wilson, Agriculture Counsellor, Embassy in Italy.

459. DEA/4171-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-560 Washington, March 4, 1953

SECRET. IMMEDIATE.

INTERNATIONAL WHEAT AGREEMENT

Following for Rt. Hon. C.D. Howe, Minister of Trade and Commerce, repeated to Mr. G.N. Vogel, Department of Trade and Commerce, from M.W. Sharp, Begins: As I have already advised you, the Americans joined with the Canadians and Australians in an offer of a ceiling of $2.20 including carrying charges, or $2.15 plus carrying charges. This offer was transmitted to Anderson who was to sound out a number of key importers to discover whether such an offer would elicit a further response from them. Anderson has reported that the importers are not prepared to raise their offer above the $1.40 — $1.95 level. We authorized Anderson to inform importing countries on the Prices and Quantities Committee of our offer which means that it now becomes known to all importing countries.

2. The United States delegation met with its advisers on Monday and Tuesday of this week. I understand that on Monday the delegation met with Benson and other departmental officials, and on Tuesday morning with six senators and three congressmen, and on Tuesday afternoon with industry advisers ranging from producers to flour millers.

3. Fitzgerald came to my room Tuesday evening to report on the results of these discussions. McCarthy of Australia was present and Wilson and McNamara[46] sat in. The meeting Tuesday morning was under the chairmanship of Senator Aiken.[47] The consensus of opinion among the six senators was that there was a better than even chance of getting approval from Congress for an agreement at a ceiling of $2.15 including carrying charges. There was a slight chance of getting approval at $2.10. However, Aiken asked his colleagues whether they thought that the administration would be justified in recommending an agreement with a ceiling of $2.10 if that was the best price that could be obtained. Fitzgerald reported that the senators thought that the administration should take a chance. The meeting on Tuesday afternoon with industry representatives was not very fruitful because the results of the meeting with congressional advisers had already been made known to them.

[46] W.C. McNamara, commissaire en chef adjoint, Commission canadienne du blé.
W.C. McNamara, Assistant Chief Commissioner, Canadian Wheat Board.

[47] George David Aiken, sénateur républicain du Vermont ; président de la Commission de l'agriculture et des forêts du Sénat.
Senator George David Aiken (R — Vermont); Chairman, Senate Committee on Agriculture and Forestry.

Most of the producers and others present at the industry meeting were disinclined to [sic] offer from the senators.

4. Fitzgerald then indicated that in his view the chance of Congressional approval at $2.10 was somewhat better than the senators had been prepared to admit. This was confirmed by a conversation that Parker of the Manitoba Pool had with a producer representative who had been present at the industry meeting Tuesday afternoon. Senator Aiken wanted this producer to let the Canadians know that he thought that a figure of $2.10 had a fairly good chance in the Senate.

5. Following this report from Fitzgerald we had a discussion about tactics. Fitzgerald is satisfied, on the basis of personal contacts, that a sufficient number of importers would not agree to a ceiling of $2.15. It is necessary, however, to convince Morse of this fact, and Fitzgerald is accordingly going to recommend to Morse that he should personally see a number of the major importers and explain to them that he cannot be sure of ratification at a ceiling of less than $2.15 and that if the importers want an agreement that is the price they must pay. If, as we fully expect, the importers say that they cannot agree to such a high figure Morse will report this to Australia and Canada. Canada, in an effort to bring about agreement, will make a formal statement in plenary session of the Council that she is prepared to sign an agreement at a floor of $1.60 and a ceiling of $2.10, including carrying charges. Canada would then move adjournment in order to enable both exporters and importers to obtain instructions from their governments as to whether that was an acceptable level of prices. Either at once or after cabling for confirmation Australia would indicate her willingness to go along at that level. The United States would express doubts. Having made our proposal we would undertake to see the leading importers and to explain to them that if they wished an extension of the agreement it would be necessary for them to agree to a ceiling of $2.10 which was the minimum price at which there was any chance of Congressional approval.

6. Fitzgerald agreed to this procedure. In reply to a question from McCarthy he made it clear that in view of the indication of Congressional opinion given at Tuesday's meeting, the United States could not take the initiative in offering an agreement at a ceiling price as low as $2.10.

7. Wednesday morning the Canadian delegation were informed of developments and there was no disagreement with the proposed procedure. Fitzgerald expects to see Morse Wednesday morning. Ends.

460. C.D.H./S.48-W-23

Le ministre du Commerce
au sous-ministre associé du Commerce

Minister of Trade and Commerce
to Associate Deputy Minister of Trade and Commerce

SECRET [Ottawa], March 4, 1953

Dear Mitchell [Sharp]:

I have your wire of March 4th, bringing me up to date on the state of your negotiations.

As I told you this morning, I see no objection to the plan you have set out. I think it is well worth while to try out the $2.10 on the United States Congress, if a reasonable proportion of the importers will meet that figure. The programme you outline will at least put the U.S. in the position of destroying the agreement, and will at the same time put Canada in a very favourable position with the importers.

I will await your further word.

Yours sincerely,

C.D. HOWE

461. C.D.H./S.48-W-23

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-584 Washington, March 6, 1953

SECRET. IMMEDIATE.

INTERNATIONAL WHEAT AGREEMENT

Following for Right Honourable C.D. Howe, Minister of Trade and Commerce, (repeated to Mr. G.N. Vogel, Department of Trade and Commerce,) from M.W. Sharp, Begins: Following is statement made on Friday, March 6th, in committee of whole by Mr. Morse, United States delegate.

Quote:

"I hope we have a statement here, on behalf of the United States, that will facilitate the conference. The United States has been considering, with other exporters, the status of the negotiations for a renewal of the wheat agreement which has now been under way for over five weeks. In addition to our discussions with other exporters, the United States has thoroughly reviewed the position with its industry, farm and congressional advisory committees. After these discussions we are now

prepared to state the lowest maximum price at which our government is willing to negotiate a renewal of the International Wheat Agreement.

"The United States is prepared to accept a maximum price of $2.15 per bushel, including all carrying charges except those incurred in the normal course of export sales after the date of a sale's contract.

"We want to emphasize that this offer represents the extreme point to which the United States can go in an effort to accommodate itself to the views of the importers.

"The United States favours renewal of the Wheat Agreement. It is hoped that this statement of the definite price position will enable the conference quickly to determine if importers with sufficiently large import requirements of wheat can accept an agreement at this maximum price to make renewal practical. It is understood, of course, that this maximum price offer is contingent upon our ability to resolve other provisions of the agreement.

"I am making this statement on the assumption that we are in closed executive session here at this meeting".

Unquote

2. Immediately following preceding statement, Sharp made following statement on behalf of Canada. Quote:

"We have listened today to what is perhaps the most important pronouncement made during this eighth session. It is a declaration by the largest exporting country — the United States — of the lowest ceiling price at which that country would accept an agreement. $2.15 including carrying charges except those specified by Mr. Morse is well below the current market price for United States and Canadian wheat being sold outside the agreement, and as Mr. Morse has said represents a very considerable retreat from the initial positions taken by all the exporting countries. What Mr. Morse has told us indicates that the United States delegation and its advisers have gone a long way indeed to meet the views of the importing countries. As for Canada, this statement is so important that I am transmitting it immediately to my government with a request for further instructions. I expect to be in a position to make a full statement later on the basis of those instructions.

"At this time, however, I should like to make a few general observations. The first is an obvious one, namely, that unless the importing countries and, of course, the other exporting countries can agree to prices acceptable to the United States there will be no multilateral contract of the kind now in effect. Mr. Morse has expressed his views as to the ceiling price acceptable to that country. One thing I think we must all be impressed by and that is if we are assuming a three year agreement, and that is the proposal made by Mr. Morse which, although Canada favours a longer period, we would be prepared to accept, to the importing countries involved, an agreement of that duration represents a very substantial concession and I doubt very much whether the concession which Mr. Morse has offered at the ceiling will, in fact be offset by any concession which the importers are likely to make at the floor. In other words, if I may put it briefly, this offer that Mr. Morse has put forward seems to Canada at least to be a bargain. In our opinion it should be acceptable to the importing countries.

"As the delegates here know, Canada is one of the strongest supporters for an International Wheat Agreement. We have never made any statement at any time which would suggest otherwise. I have even heard some suggestions that we are so interested that we are in a very weak bargaining position but I can assure my fellow delegates here that this is not so. May I say this, that Canada feels that we are at that point where we can either continue in an agreement, which has been of such great value to all concerned, or we can decide to discontinue it. In our judgment, the agreement should be renewed. We believe that even if the prices that have been proposed do result, as seems likely, in prices lower over the period of the agreement than Canada would be able to obtain outside the agreement, we, nevertheless, are prepared to accept that risk in order to obtain stability both in prices and in markets. We have achieved greater stability in prices of wheat over these four years than I venture to say has ever been obtained in the past, as a result of this Wheat Agreement. I hope that we shall continue in the next few years to have that same stability through an extension of this Agreement". Unquote. Ends.

462. DEA/4171-E-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-593 Washington, March 7, 1953

SECRET. IMMEDIATE.

Following for Rt. Hon. C.D. Howe, repeat G.N. Vogel, from M.W. Sharp, Begins: I sent you the text of the statements made by Morse and myself at Friday's meeting of the International Wheat Council. We did not know until Friday morning exactly what Morse would say. Our advice had been that he should have private conversations with a number of the key importing countries to determine whether it was possible to have an agreement at a ceiling price of $2.15 including carrying charges. Both McCarthy and I expressed our opinion that it would not be possible to get an agreement at this ceiling price from a sufficient number of importing countries. However, he preferred to make the proposal in open session and to put clearly on the record that this was the extreme point to which the United States would go in attempting to satisfy the importing countries. You will notice that while the statement is very firm it did not completely close the door to countries which might wish to make counter proposals.

2. My statement was largely extemporaneous. We considered it desirable to support the United States proposal as being reasonable and worthy of acceptance by the importers. At the same time, we could not associate ourselves with the United States by saying that we would not consider a ceiling lower than $2.15. This is the reason that our statement is not very strong and it is obviously calculated to leave the way open for a later statement of Canadian viewpoint. I do not think that the

United States was particularly pleased but under the circumstances it was difficult to give stronger support.

3. At the conclusion of the meeting with the exporters which preceded the statement by the United States, Morse implied pretty clearly that he had no objection if we wished to explore the possibilities of persuading the importers to join with us and the Australians in proposing an agreement at $2.10. Morse, of course, could not give this project his official blessing since he did not feel that he could undertake the initiative in recommending such a price to the Congress.

4. The American position having now been stated, and Canadian and Australian support having been expressed, McCarthy and I now intend to approach the leading importers to attempt to persuade them to make a counter proposal which the United States might consider. Wilson and I have an appointment today with the Italians and hope to make one later on with one of the other leading importers and on Sunday and Monday we hope to complete the interviews. McCarthy is doing likewise beginning with the United Kingdom. Our general line will be that we feel there is a reasonable chance of getting an agreement if the importers can accept a ceiling price of $2.10. Our idea of a floor is $1.60 but we would, in order to get an agreement, be prepared to drop by five cents in the final stages of the negotiations. We shall say that at any ceiling price below $2.10 the chances of getting it approved by Congress are very poor indeed. An agreement with a ceiling at such a price is, in our opinion, a very good bargain. The importers would be foolish not to sign it. If there is no agreement they will pay considerably higher prices at least for part of the three year period. Since the market is not likely to fall to the floor within that time, they have much to gain and very little to lose. Canada realizes that she might be able to sell her wheat without an agreement for an average price higher than within an agreement, but is willing to accept this cost in order to assure stability and a continuation of the agreement which we consider is, in the long run, in the interests of all countries. If we cannot persuade the importing countries to join with us in proposing a price of $2.10, which we consider is the least that will be acceptable to the Congress, at least we hope they will put in a counter proposal at a ceiling of $2.05 including carrying charges.

5. I am putting this before you in some detail because I wish to urge you most strongly to talk to Butler about the negotiations and to urge him to accept our point of view. If Sir Frank Lee[48] comes to Ottawa you might have an opportunity of talking to him too. He has already been in touch with Feveryear in Washington. Incidentally, Feveryear's reply to Morse while not very encouraging did at least indicate that he did not take the American statement as an ultimatum and was prepared to discuss it on its merits.

6. After we have explored the situation very thoroughly with these key importers, we shall consider whether to make a further statement in the council putting forward our proposals in formal terms. Ends.

---

[48] Sous-ministre du Commerce, Royaume-Uni.
Permanent Secretary, Board of Trade of United Kingdom.

463. DEA/4171-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-606 Washington, March 10, 1953

SECRET. IMMEDIATE.

INTERNATIONAL WHEAT AGREEMENT

Following for Rt. Hon. C.D. Howe, Minister of Trade and Commerce, (repeated to Mr. G.N. Vogel, Dept. of Trade and Commerce) from M.W. Sharp, Begins: Wilson and I spent the weekend having private talks with the larger importers telling them that the American statement was to be taken seriously, that if they wished an agreement they must not turn the American proposal down without making a counter proposal, that a counter proposal of $2.00 might end the negotiations, that a counter proposal of $2.05 would, in our judgment, enable the negotiations to continue, and that we were prepared to join with them at $2.10. Saturday we saw Italy, Germany and India; Sunday we saw they United Kingdom; Monday we saw the Netherlands and Belgium. McCarthy was with us when we saw the United Kingdom. We also had a chance and brief discussion with Switzerland.

2. As a result of these conversations I came to the conclusion that it was necessary to follow up our statement on Friday with a further statement which indicated that Canada took the Americans seriously. I also wished to let all the importers, and not only those to whom we talked privately, know that Canada does not intend to enter into bilateral contracts if the multilateral negotiations break down. Accordingly, I made a statement on Monday which you will note does not tie us to the ceiling of $2.15 but says, in effect, that $2.15 is a ceiling which in their own interests the importers should be willing to accept.

3. The verbatim minutes are not yet published but I give you below the notes from which I spoke:

"I am now in a position to clarify the views of Canada with respect to the statement made on Friday by Mr. Morse of the United States.

"Mr. Morse said that the United States is prepared to enter into an agreement with a ceiling of $2.15 including all carrying charges except those specified by Mr. Morse. I know that prophecy is always hazardous, but after as careful a view of the prospects as they were able to make, the agencies of the Canadian Government concerned with wheat marketing have come to the conclusion that without an agreement, Canada would be able to realize for all the wheat she was in a position to offer prices considerably higher than $2.15 for some time to come.

"In his remarks on Friday last, Sir Albert Feveryear contended that the Wheat Agreement tended to push up prices for wheat sold outside the agreement and therefore that prices for non-agreement wheat were not a true indication of what

prices would be without an agreement. I shall not enter into a detailed argument on that point, otherwise I should be talking for hours to come and probably without convincing anyone.

"Whatever substance there may be to Sir Albert's point, I do not think that it is the explanation for the level of prices that has prevailed for wheat sold outside the agreement. There are very much more substantial and obvious reasons.

"In the first place the world demand for wheat has been very much higher than at any time in the past. Before the war International Trade in wheat amounted, in round figures, to about 500 million bushels annually. Today it amounts to about 1,000 million bushels.

"In the second place, the support price programme has relieved the world market of the burden of United States stocks. The importing countries have needed very large quantities of wheat outside the agreement and they have had to go to the United States where the market was very largely affected by the fact that farmers could obtain loans related to parity as an alternative to selling their wheat on the market.

"And finally, internal transportation has been a limiting factor on the volume of wheat that Canada could offer for sale. Sir Albert may think that the assurance of a market under IWA has enabled Canada to demand a higher class II price. I can assure him and other delegates that the demand for Canadian wheat has been such that we could have sold a good deal more than we did if it had been possible to increase the movement to ocean ports.

"Undoubtedly other factors also operated in the market but these three will suffice to indicate that whatever effect the wheat agreement had on the market it was by no means the principal explanation of the course of prices.

"As we see it, these factors will continue to operate during the forthcoming crop season. World demand for wheat is likely to remain high. The United States support policy will not be changed. Internal transportation will continue to limit the supply of Canadian wheat offered for sale.

"That is why we are reasonably sure that without an agreement Canada and the other exporting countries will for some time at least be able to realize prices well above $2.15 per bushel.

"Under what conditions then would Canada be justified in accepting a ceiling of $2.15?

"The answer is, I think, quite obvious. Canada would be justified in agreeing to prices below what the market price is likely to be if the importing countries offer to underwrite the price at an appropriate level for a reasonable period of time.

"In my brief remarks following Mr. Morse's statement, I assumed that he had offered this ceiling of $2.15 in an agreement for three years. When I looked at the record I found, however, that I had been indulging in mind reading. Let me then clarify Canada's position.

"Our strong preference is for a four year agreement. We do not think that a one year agreement could have any attraction for the exporting countries unless, of course, prices were such as to reflect probable trends in the market during 1953-54,

which would involve a good deal higher ceiling than $2.15. A two year agreement would be an improvement over a one year agreement but again it would be necessary to reconsider prices. Furthermore, a two year period does not seem to us to offer much in the way of long term stability which is the fundamental purpose of an agreement.

"If, however, the United States is prepared to accept a three year period, Canada could go along at a ceiling of $2.15. Assuming a three year agreement, we then considered what level of minimum prices would justify Canada in accepting a ceiling of $2.15. This, of course, is a matter of judgment. After careful consideration we are prepared to go along with Australia in proposing a minimum of $1.65.

"On the whole, for reasons which I have indicated, we believe that this proposal is very much in the interests of the importing countries. It is very likely to, I could almost say it will certainly enable the importing countries to buy their wheat more cheaply for at least part of the three year period. On the other hand, because of the factors which limit the amount of wheat that can or will be offered for sale by Canada and the United States, it is very unlikely that prices will fall to the minimum of $1.65 within the three year period.

"It may well be asked why, if this analysis is correct, is Canada willing to enter into an agreement embodying such a price.

"The answer is not that we are philanthropic or anxious to distribute charity to the importing countries. No, we are willing to do so because we believe that it is in the long term interests of Canada and the other exporting countries to prevent prices from going too high. We wish to discourage uneconomic production which might eventually cause a collapse in the market. We wish to stabilize the demand for wheat.

"The proposal for a ceiling of $2.15, if it is for a three year period, accompanied by a floor of $1.65 would in our judgment therefore be in the interests of both importing and exporting countries.

"To conclude this statement, I also wish to clarify Canada's position with respect to bilateral contracts. I have heard some talk that if a new International Agreement cannot be concluded, Canada would be ready to enter into bilateral contracts in substitution for such an agreement. I am instructed by my government to say that Canada does not intend to do so. Delegates will recall that one of the reasons why a multilateral contract of the kind now in effect was developed was dissatisfaction with just such bilateral contracts. My government does not believe that it would be in its general trade interests to revert to practices which proved so unsatisfactory in the past". Ends.

464. C.D.H./S.48-W-23

Extrait d'une lettre du ministre du Commerce au sous-ministre associé du Commerce

Extract from Letter from Minister of Trade and Commerce to Associate Deputy Minister of Trade and Commerce

[Ottawa], March 14, 1953

Dear Mitchell [Sharp],

On Thursday afternoon I had a preliminary talk with Mr. Butler, and expressed as vigorously as I could the argument in favour of a renewal of the Wheat Agreement. I told him that the position of his delegation in refusing to budge from the $1.95 offer is making further progress impossible. Butler undertook to cable my views to London immediately.

Yesterday he had received a reply to his cable and we had a further talk. The reply stated that Britain did not intend to raise its offer of $1.95 ceiling, although they were willing to raise the floor. Again I told him how impossible this position is in view of the US attitude. He is leaving for home this afternoon and intends to take the matter up on Monday morning and advise me further. I formed the impression that he, personally, is convinced that his Government is making a mistake.

Charlie Wilson was here yesterday and I told him the story after I found that you were not accessible on the telephone.

Having in mind your view that all countries except Britain and its satellites are willing to bid $2.05, it seems to me that the time has now come when Canada should express its willingness to enter an agreement at $2.10, move that the books be open for an agreement at that price and move that the conference be adjourned for one month or longer, as our delegation will decide. I think that probably the British will object to the adjournment, which will show their hand.

Butler's approach, which is obviously the British view, is that raw material prices are falling and that without the agreement the price of wheat will fall. He may be right, taking the view over several years, but I think I convinced him that he is wrong as far as 1953-54 is concerned. I think that what shook him most was my suggestion that if this agreement failed to be renewed, there was no likelihood of any other commodity agreement being possible. I also convinced him that there was no possibility of a bilateral agreement with Canada, which he suggested, and also that Canada would sell at the best price obtainable.

The situation may change by Monday evening, but in the meantime, I think the course suggested above for the Canadian delegation is the only one possible.

. . .

I hope that you can get back to Ottawa before long. We need you around here.

Yours sincerely,

C.D. HOWE

465. DEA/4171-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-667 Washington, March 17, 1953

SECRET. IMMEDIATE.

INTERNATIONAL WHEAT COUNCIL

Following for Rt. Hon. C.D. Howe, Trade and Commerce, repeat to G.N. Vogel Trade and Commerce from M.W. Sharp, Begins: Mr. Sharp made the following statement at the Wheat Council this morning, March 17, 1953, Begins: Since the beginning of the eighth session it has been the aim of the Canadian delegation to bring the views of the importers and the other exporters on prices into harmony at a point which would be acceptable to Canada.

Delegates will recall that in London the importers failed to make any price proposals. Speaking as a group they contented themselves with a general statement that a ceiling of $1.80 as in the present agreement, if inclusive of carrying charges, would be fair and reasonable. Acceptance of this viewpoint would have involved a drop of 6 cents per bushel below the prices now being paid under the agreement.

The United States proposed a range of $1.90 minimum, $2.50 maximum, excluding carrying charges. Canada saw no hope of an agreement at such prices and made a proposal of $1.75 minimum and $2.25 maximum, excluding carrying charges. Australia indicated general agreement with Canada.

Here in Washington we began where we had left off. The United States repeated its offer supported by France. Canada and Australia repeated their offer of $1.75 minimum, $2.25 maximum, excluding carrying charges. The importers made no offer whatever. The exporters then made it clear beyond any doubt that they could not enter into a new agreement at present ceiling or floor prices. The importers replied that they could contemplate an agreement at prices higher than in the present agreement, but that they were not prepared to contemplate an agreement with a ceiling below[49] $2.25. The exporters unanimously met this condition which involved a major adjustment for the United States and France, and important concessions for Canada and Australia.

Then, and only then, did the importers put forward at first — although it was termed a final — offer of a floor of $1.40 and a ceiling of $1.95, inclusive of carrying charges. Certain other conditions were attached to this offer, which I shall not mention since, in fact, the importers had previously agreed that most of these conditions should be the subject of consideration by committees of the Council.

---

[49] Note marginale:/Marginal note:
above?

The exporters made a reply to this offer, pointing out why it was unacceptable, and indicating that the exporters would be prepared to make a definite offer with a ceiling below $2.25 if the importers could contemplate a ceiling above $2.00 exclusive of carrying charges.

At that point the negotiations on price reached a temporary stalemate. Some days later the exporters asked the chairman to obtain the reaction of some of the main importers to an offer by the exporters of a ceiling of $2.20, including carrying charges. Mr. Anderson reported that such an offer would not result in any counter proposal by the importers other than the offer already made by them.

On March 6th, the United States delegate made a statement that the United States was prepared to accept a maximum price of $2.15 per bushel, including all carrying charges except those incurred in the normal course of export sales after the date of the sales transaction. He went on to say that this offer represents the extreme point to which the United States can go in an effort to accommodate itself to the views of the importers.

Canada and Australia supported the $2.15 maximum price as offering a reasonable basis on which to conclude an agreement, for a three year period with a minimum price 50 cents below the maximum.

Thursday last, the United Kingdom delegate, speaking for the importers as a group, rejected the $2.15 maximum as unacceptable and said that the importers would be prepared to consider a substantial increase in the minimum price above the $1.40 already proposed by them in return for another substantial drop below the $2.15 maximum figure.

The United States delegate re-affirmed the $2.15 maximum and joined with Canada and Australia in proposing a three year agreement and a minimum price 50 cents below the maximum.

That is where we stand after 67 days of negotiation in London and Washington. On the one hand the importers have failed to make any proposal other than one at a maximum of $1.95 inclusive of carrying charges and a minimum of $1.40. The United Kingdom delegate gave a hint in his statement last Thursday that this might not be the final word, but no further offer was in fact made. The exporters have made repeated attempts to elicit a further offer from the importers by lowering their price proposals progressively to the present point of $2.15 maximum, including carrying charges, and $1.65 minimum.

Canada believes that an agreement at a minimum of $1.65 and a maximum of $2.15 would be in the interests of the importers. To put it bluntly, an agreement at these levels would, in our opinion, save the importers money over a three year period. It offers them protection against prices above $2.15 where, without an agreement, wheat prices are likely to be for at least part of the three year period. On the other hand, the possibility that prices will, within three years, fall to $1.65 seems to us to be remote. After all, the only obligation incurred by importing countries is to take up their quotas at the minimum. There is no obligation upon them at the maximum. At the maximum they have rights, not obligations.

Although the price advantage seems to us to be on the side of the importers over the three year period, Canada would accept a range of $1.65 to $2.15 because we

have long-term interests in stabilizing prices — in preventing them from rising too high as well as in preventing them from falling too low.

It will be obvious of course why a proposal of $1.40 to $1.95 is out of the question. The maximum is only 9 cents above the prices being paid under the present agreement, and the floor is 10 cents below the floor in the first year of the present agreement. It would be such a one-sided bargain that we are frankly surprised that anyone should have thought that it had the remotest chance of acceptance. Yet that is all we have heard from the importers after 67 days of negotiation.

The Canadian delegation does not believe that the importers have said their last word. We believe that there is a substantial body of world opinion in favour of a wheat agreement at prices that can be defended by both importing and exporting countries. The past four years have shown that an international wheat agreement can be made to work. Are we now, in spite of this successful experience, in spite of the universal support that has been given to the idea of renewing the agreement, to abandon the effort to accommodate our views on price?

Although the importers and exporters, speaking as groups, have not yet bridged the gap that separates them, my government hesitates to believe that a basis for agreement cannot be found. We know that there are some importers who are prepared to agree to prices higher than those offered by the importers as a group. As far as Canada is concerned, we are prepared to accept an agreement at prices somewhat lower than have been proposed by the United States, even though we consider the United States offer to be reasonable.

We have considered the advisability of moving that the conference be brought to a close immediately. This action would be unfortunate but reasonable in view of the wide gap that now separates the formal statements of the importers as a group and those of the exporters as a group. Our producers in Canada would accept the statement of the United States delegate and the reply of the United Kingdom delegate, on behalf of the importers, as evidence of the incompatibility of their respective views. But, as a Canadian delegation, we still have to be convinced that such a wide difference of views in fact exists.

Canada, therefore, invites all countries to join in an agreement with a minimum of $1.60 and a maximum of $2.10 inclusive of carrying charges, for a period of three years. We have been unable to persuade the United States or any of the importers to join with us in making this proposal. But we put it forward because we are convinced that, while it is not a proposal that either the United States or the importers would take the initiative in proposing, it is one they might be prepared to accept as a basis of agreement if the alternative is no agreement at all.

"Having made this proposal, the Canadian delegation does not intend to take any further initiative in attempting to harmonize the views of the countries represented at this conference on the question of price. Unless evidence is forthcoming within the next two or three days that this proposal is an acceptable basis for a new agreement, we intend to move that the eighth session be brought to a close and that the Council report the position to governments.

"Whether at that stage we report to our governments that there is no hope of having the agreement renewed, or whether we leave a draft agreement open for

signature on the \$1.60 — \$2.10 basis for a period during which individual governments can come to a conclusion on whether it is better to join or stay out of such an agreement, will depend largely upon the individual or collective responses of delegations of the importing countries within the next few days.

"Some other terms of the agreement remain unsettled. In this regard Canada is willing to propose an agreement with such textual amendments as will have been agreed to before we break off, and otherwise to carry forward the text of the present agreement into a renewed agreement.

"We have now reached the final and decisive stage of these negotiations. There is no longer any time for tactical moves. The futility of tactics has surely been demonstrated beyond any doubt. Those countries that want an agreement must now declare themselves, otherwise the opportunity may be lost forever.

"As far as Canada is concerned, we have made a proposal which is not joined by all the exporters. We do so because we see no prospect at all of getting the importers to agree to the lowest price which the United States is prepared to put forward. Our hope is that if a sufficient body of importers, and Australia, join with Canada there is some chance that the United States Administration would reconsider and that the United States Senate would ratify. This is a risk, but we believe it is one worth taking. I see no hope of reaching agreement below the prices we have proposed.

"We hope that the attitude of the importers towards the Canadian proposal will be revealed without delay, and may I add, an agreement can be made without all present importing countries being party. Indeed, there may be some difficulty in finding enough wheat to satisfy the quota requests of importing countries. Surely those countries that want an agreement are not going to let those who are less anxious jeopardize the chances of renewal.

"The Canadian delegation is not making this final effort to get agreement because of any fear of the trend of prices over the next three years. As I have said before, we are looking farther ahead. It is our conviction that if the wheat agreement is not renewed now it will never be revived. I cannot conceive of circumstances more favourable for the negotiation of an agreement than those now prevailing.

"We are looking, too, at the effect of failure of these negotiations on international relations and on the prospects for international agreements with respect to other commodities. If the kind of offer that Canada is now making on wheat with a ceiling well below the market and a floor another 50 cents below that ceiling — if that kind of offer is not acceptable to the importers, what hope is there for any other commodity arrangement?

"Canada appeals both to her fellow exporters and to the importers, many of whom are our steady and valued customers, to save these negotiations from collapse". Statement ends. Ends.

466. DEA/4171-D-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-476 Ottawa, March 18, 1953

SECRET

INTERNATIONAL WHEAT COUNCIL

Following for Sharp from Howe re despatch [telegram] WA-667, Begins: Have received copy your statement to Wheat Council of 17th March and consider it a masterly document. Unless response from importers is immediate suggest that pressure be exerted to wind up Conference. A move in that direction will indicate to importers that delaying tactics will no longer be profitable to them. Please keep me advised. Ends.

467. DEA/4171-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-743 Washington, March 25, 1953

SECRET. IMMEDIATE.

INTERNATIONAL WHEAT CONFERENCE

Following for Rt. Hon. C.D. Howe, Minister, Dept. of Trade and Commerce, repeat to: G.N. Vogel, Assistant Director, Wheat and Grain Division, Dept. Trade and Commerce from Mitchell W. Sharp, Begins: At the Committee of the Whole this morning, the following statement was made on behalf of all the importing countries:

"The importers have given careful consideration to the proposal of Canada and Australia that the agreement be renewed on the basis of a maximum price of $2.10 and a minimum price of $1.60 including carrying charges. The present position of the importers is as follows:

(1) The importers are unanimously agreed that they will not accept a new wheat agreement with a maximum price of $2.10.

(2) A number of the importers with a substantial weight of votes, are unable to accept maximum and minimum prices exceeding $2.00 and $1.50, respectively. Some, including the largest importer, still adhere to the original offer of a maximum price of $1.95. This group favour an adjournment of the conference for 30

days, believing that if time were given for reflection by all parties there would be less risk of a premature abandonment of the agreement.

(3) A large number of importers representing a substantial weight of votes, are equally convinced that a maximum price of $2.00 and a minimum price of $1.50 would be fair and reasonable to both importers and exporters and would be acceptable to almost all importers. They are, however, in a spirit of compromise, and in order to ensure its renewal, prepared to sign an agreement on the basis of a maximum price of $2.05 and a minimum price of $1.55, carrying charges included, if during the present session in Washington the exporters indicate their willingness to accept these prices. A satisfactory settlement of those other matters still undecided would, of course, be necessary."

2. This joint statement was followed by statements by 19 importers individually. Italy, Mexico, Germany, Norway, Israel, Belgium, Brazil, South Africa, Netherlands. Japan, Ireland, New Zealand, Austria, Portugal, Costa Rica, and El Salvador supported renewal at the range of $1.55 to $2.05. United Kingdom said that paragraph two of joint statement stated their position which had been confirmed by fresh instructions. Greece supported UK; India sat on the fence.

3. Sharp was given a confidential summary of importers' positions as follows:

27 countries, 505 votes in favor of $1.55 to $2.05 proposal.
5 countries, 449 votes in favor of lower proposal.
9 countries, 45 votes uncommitted.
1 country, 1 vote not present.
Total 42 countries, 1,000 votes.

4. This summary indicates India supported United Kingdom but to judge from statement this morning support is very lukewarm and India would almost certainly accept maximum of $2.05 if that were offered by exporters.

5. All importers who spoke said that a ceiling above $2.05 was out of the question. They called on exporters to rally round that figure and thus pull United Kingdom into line. In effect, therefore, a majority of importers has reversed position stated by Sharp a week ago when he called on importers to rally round a maximum of $2.10 and thus pull in United States.

6. At conclusion of importers' statements this morning, Sharp moved adjournment until Thursday morning. Morse of United States attended this morning's meeting, but left for Chicago at noon. He will be back early Thursday morning. Ends.

468. DEA/4171-D-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-577 Ottawa, April 6, 1953

TOP SECRET

INTERNATIONAL WHEAT AGREEMENT

Following from Rt. Hon. C.D. Howe, Acting Prime Minister to Mr. M.W. Sharp, Begins: After having reviewed the progress of the International Wheat Agreement negotiations to date, you are instructed to agree to the range of prices that seem to be receiving general acceptance, namely, a maximum of Two Dollars and Five Cents ($2.05) and a minimum of One Dollar and Fifty Five Cents ($1.55).

2. I suggest that at an appropriate time, you move that this range of prices be accepted and the present agreement amended accordingly with such additional changes as may have developed from your negotiations.

3. Assuming that in your opinion a satisfactory number of importing countries support this proposal, you are authorized to sign on behalf of the Government of Canada.

4. Failing sufficient support for your proposal, I suggest that negotiations be terminated. Canada cannot support any less satisfactory proposal than the one outlined above. Ends.

469. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Divisions

CONFIDENTIAL [Ottawa], April 20, 1953

. . .

Meeting of International Wheat Conference

32. *Mr. A.E. Ritchie*. The meetings of the International Wheat Conference in Washington, which began on January 30, have now concluded and a new Agreement, designed to replace the 1949 Agreement, has been drawn up. The Agreement calls for a maximum price of $2.05 per bushel inclusive of carrying charges, which under the present Agreement have amounted to 6¢ per bushel. The Agreement calls for a minimum price of $1.55. Canada signed the Agreement, subject to acceptance, on April 13. To date, the following countries have also signed: Belgium, Ceylon, Denmark, Dominican Republic, Egypt, Germany, Guatemala, Haiti, Italy, Japan, Liberia, The Netherlands, The Philippines, Switzerland, the United States, France, Austria, Lebanon, Cuba and Portugal. According to present information

importing countries representing 40.58% of the guaranteed quantities have now signed the Agreement. However, the Agreement will not become effective unless importers representing at least 50% have signed by April 27. We have asked our missions in Mexico, Norway, Peru, South Africa, Brazil, Ireland and Venezuela to approach the appropriate authorities in the countries to which they are accredited, urging that the Agreement be signed before the terminal date. Canada intends to ratify as soon as possible after importers representing the required 50% of importers' guaranteed quantities have signed.

. . .

470. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], May 13, 1953

. . .

INTERNATIONAL WHEAT AGREEMENT; INSTRUMENT OF ACCEPTANCE

16. *The Minister of Trade and Commerce* said authority had been granted by Order in Council P.C. 1953-695 of May 7th to execute the Instrument of Acceptance of the International Wheat Agreement. It was for consideration when it should be executed and deposited in Washington.

17. *The Cabinet* agreed that the Instrument of Acceptance of the International Wheat Agreement be executed as of Monday, May 18th, 1953, and deposited immediately thereafter in Washington.

. . .

471. DEA/4171-E-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1308 London, July 17, 1953

CONFIDENTIAL. MOST IMMEDIATE.

Following for Rt. Hon. C.D. Howe repeat Riddel[50] Winnipeg from McIvor,[51] Begins: Twelfth session winding up Council routine finished uneventfully July 16.

2. Thirteenth session which is first session of the new agreement convened Friday morning.

[50] W. Riddel, commissaire, Commission canadienne du blé.
W. Riddel, Commissioner, Canadian Wheat Board.

[51] G.H. McIvor, commissaire en chef, Commission canadienne du blé.
G.H McIvor, Chief Commissioner, Canadian Wheat Board.

3. Representative of United States State Department officially advised that 54.6 percent of importers after allowing for the Indian reduction of 500,000 tons had either deposited instruments in Washington or had notified the State Department that the agreement had been ratified and instruments would be filed by August 1. It should be noted that if India had not reduced quantity the importers percentage would have been 57.7 percent.

4. Canada and the United States representing 87.3 percent had ratified and deposited their instruments.

5. In view of official announcement, the renewed agreement in accordance with the provisions of Article 20 was declared in force.

6. The accessions of Jordan, the Vatican, Yugoslavia and the Republic of Korea were accepted.

7. The United States delegate moved that the location of the seat of the Council be placed on the agenda and expressed view that Council seat should be moved to a European location. Canada, Australia, South Africa and New Zealand supported retention of seat in London but Council decided to postpone final decision as to site until next session in October or November.

8. Formal meetings adjourned until Monday. Exporters and importers met separately this afternoon.

9. Exporters have not yet reached agreement on quantities. United States are pressing us to reduce our quantity to reflect our United Kingdom business in the past. We have indicated we are not prepared to reduce to this extent but as a concession have agreed to depart from pro rata formula as provided for in the agreement, and with Australian concurrence we have offered compromise which would give United States 50 percent, Canada about 39 percent, Australia about 11 percent.

10. At exporters meeting just concluded it emerged that total of 419 million bushels will be realistic estimate of quantity under the agreement. The United States proposed this quantity be proportioned as follows: United States 55 percent or 230 million; Canada 34.3 percent or 144 million; Australia 10.7 percent or 45 million. We refused to accept this proposal.

11. We would point out that any formula which would give United States over 50 percent of total exporters' votes would disenfranchise other exporters and we do not feel we should agree to a proposal which would have this effect. Unless instructed otherwise we do not propose making any further concession other than the one referred above which would give United States 50 percent of exporters' vote. However we would appreciate your views prior to meeting reconvening Monday. Ends.

472. DEA/4171-D-40

Le secrétaire d'État aux Affaires extérieures
au haut commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1217 Ottawa, July 20, 1953

CONFIDENTIAL. MOST IMMEDIATE.

Reference your No. 1308 of July 17. Following for George McIvor from C.D. Howe, Begins: I agree with the stand you are taking on the division of wheat under the proposed agreement and I consider thirty-nine percent for Canada to be the irreducible minimum acceptable to us. I would actually like to see a higher figure for Canada but realize your difficulties. Ends.

473. DEA/4171-E-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1329 London, July 22, 1953

CONFIDENTIAL

INTERNATIONAL WHEAT COUNCIL MEETINGS

Following for Rt. Honourable C.D. Howe, repeat Riddell, Winnipeg from McIvor, Begins: Thirteenth Session of the Council adjourned today after deciding to hold next regular meeting in Madrid middle of October.

2. Decision on quantities was also postponed until next session on understanding that Canada and the United States would hold bilateral discussions prior to the session to resolve exporters' quantities in new agreement.

3. An amendment to the agreement to revise the voting provisions so as to restrict any one country to not more than forty-nine percent of exporters' votes regardless of their quantity, will also be on the next session's agenda for consideration.

4. Decision on permanent site of Council was postponed until the next session.

5. Anderson was re-elected Chairman on a full-time basis for next crop year with understanding that he will be Chief Administrative Officer.

6. Fraser was reappointed Secretary.

7. Australia, Canada and the United States were elected as exporters' representatives on Executive Committee on the understanding that Australia would have a vote after they ratify.

8. Seven importers, India, Italy, Egypt, South Africa, Germany, Venezuela, and Benelux were elected to the executive. This leaves one vacancy on executive for any large importer which may accede to the agreement later.

9. Some importers have been indicating their hope that the United Kingdom may decide to accede probably for token quantity to cover the colonies and dependent territories. In this connection Sir Henry Hancock indicated unofficially to Sharp last night that consideration at the official level was being given to such a proposal but that it had not yet been proposed to ministers. He asked Sharp what he thought Canadian reaction would be. Sharp replied that although Canada would not endeavour to influence United Kingdom decision, he thought Canada would welcome their accession, even with reduced quantity, and he felt that such action by them would be very beneficial to the operation of the agreement.

10. We have had numerous discussions with importers regarding next seasons requirements, but except for three cargoes out of Churchill booked with Switzerland Wednesday, we have had no success in completing sales. The discussions do, however, indicate good business in sight later in crop year, but because of heavy stocks and good domestic production most countries will not be in a position to complete contracts or purchase wheat for movement in any volume prior to October or November. Ends.

474. DEA/4171-E-40

Le secrétaire d'État aux Affaires extérieures
au cabinet du haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to Office of the High Commissioner in United Kingdom

TELEGRAM 1555 Ottawa, October 6, 1953

CONFIDENTIAL

INTERNATIONAL WHEAT COUNCIL MEETING

I should be grateful if you would notify the Secretary of the Council that the Canadian Delegation to the resumed Thirteenth and Fourteenth Sessions of the International Wheat Council which are to convene in Madrid on October 20th, will be as follows:

Delegate	W.C. McNamara Assistant Chief Commissioner of the Canadian Wheat Board
Alternate Delegate	J.B. Lawrie European Manager of the Canadian Wheat Board
Adviser	H.M. Maddick Acting Canadian Trade Commissioner Madrid.

475. DEA/4171-E-40

Extrait d'un télégramme du haut-commissaire au Royaume-Uni au secrétaire d'État aux Affaires extérieures

Extract from Telegram from High Commissioner in United Kingdom to Secretary of State for External Affairs

TELEGRAM 1778 London, October 27, 1953

CONFIDENTIAL

Following for M.W. Sharp, repeat to McIvor, Winnipeg, Begins: The resumed thirteenth and fourteenth IWA sessions were concluded on October 23.

2. The United States delegate reported that the governments of thirty-five of the forty-five countries had ratified by October 20. And that two of the four importing countries whose accession was approved by the Council in July had deposited their formal Instruments of Accession.

. . .

The exporters' quantities were established by a resolution moved by Canada and adopted by the Council, with the Australian delegate reserving Australia's position for further discussion with the other exporters.

Text of resolution follows:-

The Council, acting in pursuance of paragraph 2 of Article IX, accepts the recommendation of the exporting countries that the aggregate of the guaranteed quantities of the signatory importing countries and the countries approved for accession at the thirteenth session now aggregating 11,462,000 metric tons shall be so allocated among the exporting countries that the quantities in Annex B shall become:

Country	*Guaranteed quantity* *Metric tons*	*Bushels*
Australia	1,306,346	48,000,000
Canada	4,442,417	163,230,880
France	10,000	367,437
United States of America	5,703,237	209,558,085
Total	11,462,000	421,156,402

8. The chairman reported off the record that he had already had informal discussions with the United Kingdom concerning the possibility of their entering the agreement and on the record the Council fully approved his action and noted that the United Kingdom would be welcomed back within the agreement.

9. When the seat of the Council came before the Council the United States delegate moved that the Executive Committee's report (Doc No. 14/6) be noted and that the question be dropped. The Council agreed to this.

10. The time and place of the next statutory session was left open for consideration by the Executive Committee with the first half of June 1954 favoured. Ends.

CHAPITRE V/CHAPTER V

ORGANISATION DU TRAITÉ DE L'ATLANTIQUE NORD
NORTH ATLANTIC TREATY ORGANIZATION

PREMIÈRE PARTIE/PART 1

ÉTAT DE L'ALLIANCE
STATE OF THE ALLIANCE

476. DEA/50030-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, February 7, 1953

SOME RECENT DEVELOPMENTS IN NATO

Enclosed is a memorandum with this title prepared by Mr. Davis. It discusses the "slowdown" in some NATO activities.

I am in general agreement with Mr. Davis's comments on the loss of momentum and the reasons therefor.

L.D. WILGRESS

[PIÈCE JOINTE/ENCLOSURE]

Note de la 1[re] Direction de liaison avec la Défense

Memorandum by Defence Liaison (1) Division

CONFIDENTIAL Ottawa, February 4, 1953

SOME RECENT DEVELOPMENTS IN NATO

The Press reaction to the December Ministerial Meeting of the NATO Council was, if anything, more unsatisfactory than that to reports of earlier meetings. The picture presented to the public was much at variance with what those connected with NATO understand to be the present situation. This may be attributable to a lack of authoritative information or because the developments in NATO have modified in a way as yet not generally recognized outside the Organization. There are indeed indications of changes in the NATO pattern over the last six months. Perhaps these are only incidental and ephemeral. On the other hand, they may suggest important modifications which, in turn, might be either the result of a tacit acceptance of a new role for NATO or simply its shaking down into a more realistic organization.

2. A review of the recent developments and the present position in regard to several aspects of the work undertaken by the Council, contrasted with earlier expectations, may throw some light on where NATO stands at the moment and the direction in which it is developing.

Political Discussion

3. One of the most desirable developments in NATO (at least to Canada) has been the opportunity it gives for frank general discussions on political subjects of common concern. Since the Organization first came into being, a great deal of attention has been paid to the means of developing this practice, and at the time of the Lisbon meeting of the Council, when the present Organization was decided upon, it was felt by some members that definitive steps had been taken in creating a situation and an atmosphere where NATO allies would freely, frankly and frequently share their views and preoccupations about political questions of common concern. In many quarters, however, it is considered that these expectations have not been realized. There was a fairly useful discussion of the German — Soviet Notes in the autumn of 1952, but the prominence of this exercise was, no doubt, partly due to the fact that it was unique.

4. Political discussions at the December meeting in Paris were singularly unproductive. The French got a good hearing for their presentation of the Indo-Chinese situation, but there was nothing like an exchange of views. There are several possible explanations for this, but notably the fear that to join issue with the French on this matter might lead to entanglement in a situation in which most NATO countries do not feel they can make any material contribution at the moment. We may, in fact, be getting close to the situation in NATO, where discussions are avoided in order to escape responsibility.

5. Those who have been close to NATO since its beginnings recall the activity of the Political Working Group of the Council Deputies. On the other hand, the record contains little evidence of practical results from their labours, and it seems most unlikely that organizational or institutional modifications alone would result in any revival in this sphere.

6. There has, however, been an increase in interest in global defence problems, which in their strategic aspects cannot be divorced from general political questions. If NATO becomes active in this field, members of the Council may find themselves discussing their common political problems in a very practical setting.

Public Relations

7. No one connected with NATO — the Press, the officials, the Military Commanders or the Ministers — is satisfied with the publicity arrangements. Admittedly, there are bound to be grave problems in giving adequate publicity to an Organization whose chief concerns are matters of the highest security. Furthermore, it has not been possible to create the impression that Ministerial Meetings are a matter of routine. The Press, and thus the public, cannot be made to believe that a gathering of some thirty Cabinet Ministers from fourteen countries, assisted by a small army of high ranking military experts, is not convened to discuss momentous

questions. Thus, anything less than major decisions are bound to be interpreted as failures.

8. On the organizational side of the NATO information agency, there seems to have been a lack of definition in distinguishing between the various functions of press liaison, information work, and possible propaganda activities. In so far as Canada is concerned, and perhaps also in the case of other members, there has been no effort to alleviate what has long been recognized as an unsatisfactory situation in regard to the reporting at home of NATO meetings. The fact that NATO meetings are short compared to those of the United Nations General Assembly has perhaps led to the ready acceptance of the idea that it is unnecessary to make any special press arrangements. However, the mere concentration of top level discussions into a short period would seem to accent rather than minimize the desirability of doing everything possible to influence proper coverage at the meetings. An examination of the situation at Paris in December would, no doubt, disclose many instances where valuable work could have been done by a Canadian press officer.

9. The general question of the proper functions of NATIS in the various aspects of its work are for discussion at the forthcoming NATIS meeting in Paris.

Organization

10. Since the Lisbon reorganization there has been a feeling in some quarters that too much attention has been paid to the formal structure of the Secretariat and of the committees under the Council, at the expense of progress on the substantive questions. Canadian efforts have been directed at minimizing the proliferation of committees, but the institutional approach of the Secretary-General, who exercises initial responsibility in these matters, is difficult to counterbalance, particularly as an opinion against the establishment of a fixed committee to deal with a particular subject can rarely be presented without inviting the inference that we are not interested in the subject with which the committee would deal. Therefore, efforts to keep the development of the Organization within reasonable bounds have had a dampening effect.

Article II

11. The recent experience in the handling of questions relating to the development of Article II would seem to have demonstrated the futility of attempting to force progress when there is no clear agreement on the sphere and pattern of possible common action. The establishment of a special committee to handle this matter would appear to have been almost the death warrant for this moribund subject. Except for some rather artificial efforts to make progress on the questions of labour mobility, the only achievement in the field of non-military development seems to have been the institution of this committee.

12. At the December meeting, the Turkish resolution, calling for greater participation by NATO in the solution of economic problems by invading the field where the OEEC is now operating, was received with a notable lack of enthusiasm. It is hardly realistic to suggest that NATO, which has not up to now achieved anything in this field, should take over from the only organization where progress is being made.

13. Economic Division has provided, from a different point of view, the following comment on Article II:

"The immediate and direct results of the work undertaken within the Organization to implement Article II have been pretty negligible and perhaps serve to demonstrate that the importance of this Article should not be specifically related to action to be taken by NATO Agencies as such. In the economic field at least this is not surprising since the main economic problems which face members of the Western Community can hardly be handled on a NATO basis. However, the work being done in NATO on the economic capabilities of member countries has undoubtedly been of considerable value in explaining the particular difficulties of individual members and this understanding can have, and probably has had, important results in other more broadly based bodies dealing with international trade and payments.

"It may be that the limited success which has attended efforts to give flesh and blood to Article II through NATO machinery were a necessary step in clarifying the real significance of this Article. From this point of view it can be argued that the importance of the inclusion of Article II in the Treaty lies in the obligation it placed on member countries to pursue harmonious national policies and to encourage economic and social collaboration in whatever forum these matters may be considered or come under negotiation."

Annual Review

14. The developments in the Annual Review[1] are worthy of an independent study. The exercise being carried out this year was originally intended as a repetition (in scope if not in form) of the TCC Review completed at Lisbon.[2] The pattern, however, could never be the same. This year the Organization itself, that is, the fourteen members, are reviewing their own efforts, whereas last year the main examination was carried out by three independent, highly qualified and conspicuously influential appointees, who were put almost in the position of grand inquisitors. Therefore, the decision that the Annual Review should this year be carried out by the Secretariat, under the direction of the Council itself, was tacit acceptance of a fundamental modification of the procedure followed last year. The effect of this does not appear to have been fully recognized. Consequently, in this year's exercise there are recurring references to reconciliation, although at the same time some members have insisted with equal persistence that examining panels shall not make formal suggestions or recommendations to the Council. Therefore, if there is to be no opportunity for the presentation of proposals for the modification of defence plans, and it should be kept in mind that the TCC exercise was designed to solve the question of how the gap between military requirements and planned forces could be closed and therefore was based on the acceptance of the necessity for increased effort, the Annual Review this year could not produce results in the direction of increased forces.

---

[1] Revue annuelle des plans de défense des États membres.
Annual Review of defence plans of member states.

[2] Le Comité temporaire du Conseil créé pour revoir les contributions que les pays membres pourraient apporter à la défense en égard à leurs possibilités politiques et économiques.
Temporary Council Committee Review of defence efforts of member countries in relation to political and economic conditions.

15. Coupled with this important change in the concept of the Annual Review, the new timetable, enforced mainly because of the timetable for the American presidential elections, has resulted in a situation where most members will have taken final decisions regarding the size of their defence programmes before the completion of the Annual Review, which was originally designed to influence their contributions.

16. There is the view in some quarters, however, that the Annual Review this year is not, in fact, very different from the Annual Review carried out by the TCC. As first conceived, and most certainly in the minds of the three executives of the TCC, their task was to examine how national contributions could be improved. However, when they came to the point of making precise suggestions to members, it was found that there was a definite limit beyond which nations would be unwilling to receive suggestions. Due largely to the influence of the American chairman, some countries were persuaded to agree to an upward revision of their defence plans. However, it was insisted that the final report should be so presented that no country would appear to be rejecting suggestions officially put forward by the TCC. In order to avoid a recurrence of this potentially embarrassing situation, Ministers determined that this year arrangements would be made to assure that they were not confronted with unacceptable suggestions regarding the modification of their defence plans. The practical result of this has been that no suggestions for any major quantitative adjustment in defence arrangements will be possible. We would seem, therefore, to be back, in some respects, to the position where we were before 1952, where the responsibility for encouraging maximum defence efforts will remain in the hands of the United States, who alone have the practical means of influencing European contributors. The Annual Review, if it follows again the pattern which seems to be developing for this year, will become a technical military exercise to provide an assessment of forces, both in being and planned, and following which Supreme Commanders will give expert advice regarding modifications in national defence plans, to assure that within the limits of the budgets decided upon independently by members, the greatest efficiency of their forces may be achieved.

Military Commanders

17. The Annual Review and the development of NATO defensive strength is affected by the influence exerted by the Supreme Commanders. Since the replacement of General Eisenhower by General Ridgway, as Supreme Allied Commander Europe, it has been evident that Eisenhower's contribution to the development of NATO defences was attributable in great part to his enormous personal prestige and political sense rather than to his formal position as Supreme Commander. The present incumbent enjoys neither the reputation of his predecessor nor his ability to persuade, and his repeated display of inflexibility at the December meeting has probably weakened his influence.

The German Problem

18. Recent developments in the German-EDC question have serious implications for NATO, where the plans have been based on the availability of significant German forces in order to maintain the forward strategy. Until more is known about the amendments which the French and the Germans might wish to have made in the

present plans for the European Army, it cannot be said whether changes will be necessary in the NATO-EDC Protocol, although preliminary indications are that they will not. On the other hand, failure to reach agreement on the establishment of the European Army would open anew the question of how to bring German forces into the scheme of European defence, and the part that the United States and NATO will play in reaching this solution may well modify the existing organization out of recognition.

NATO Defence Forces

19. The development of NATO defensive forces is a special question which will not be examined particularly here, although achievements in this field are the popular measure by which NATO's success is assessed. The practice of stating NATO defence aims in terms of numbers of military units of a given standard of readiness to be provided by a certain calendar date, which was adopted so that military planners could have a firm basis for their plans, has provided a ready but inaccurate standard against which to measure military achievements. The assessment of the numbers of divisions, aircraft, ships and airfields which have been provided by a given date, taken in isolation, gives no real measure of NATO military capabilities and whereas these figures must on occasions be used, the Paris decision to accent quality rather than quantity of forces would seem to be a realistic step. It could be the basis for a more useful development of defensive strength and at the same time remove a basis for inaccurate embarrassing criticism.

Production

20. Under the pre-Lisbon Defence Production Board, efforts were made to "integrate" production programmes and to stimulate additional defence production through the medium of theoretical studies designed to link available production capacity in Europe with outstanding deficiencies of military equipment. This work was largely without issue since NATO countries were unable, or unwilling, to modify national programmes and to finance the supplementary production programmes drawn up by DPB. Since Lisbon, the work of the Secretariat in the production field has been more profitable, if less ambitious in scope. A good deal has been done to ascertain the actual equipment and production position of member countries and production studies have so far been limited to a few equipment items of highest priority. The most important factor in giving reality to NATO work in the production field has been the willingness of the United States to take account of NATO production studies and recommendations in deciding on the type and direction of the very considerable United States programme of European off-shore procurement.

NATO in World Affairs

21. In the broader field of international politics the varied successes of NATO have had their disadvantages. At the recent General Assembly of the United Nations, criticism of NATO, originally voiced only from east of the Iron Curtain, was heard from other quarters, where the solidarity of NATO countries was seen as a rallying point for support of colonialism. In the Commonwealth as well, particularly in relation to plans for Pacific and Middle East defence, there are signs of a

growing anxiousness to be brought into closer touch with NATO affairs. The achievements of NATO and the lack of general knowledge about NATO business is giving rise to fears that others will suffer by being left out of this closely-knit alliance. If global strategy is discussed in NATO, and if no arrangements are made for keeping other interested friendly powers in touch with these developments, the solidarity of NATO may become the source of greater criticism. This would have its affect on the movement towards Atlantic union, and, as the feeling that the imminence of war in Europe is lessening, it may not seem to be worth the price to continue to tighten and broaden the bonds of our alliance at the expense of discomfiting our friends with whom our military association is less direct.

Contributing Factors

22. In reviewing the present situation of NATO and the direction of possible future development, the following particular factors which have undoubtedly contributed to a varying degree to the present situation should be kept in mind. The order in which they are listed is not intended to suggest the priority of their influence:

(1) *US Presidential Interregnum* — The weakening of United States direction in NATO and European Councils, as a result of the change of administration, has had its influence. A great deal of the temporizing on the part of European Governments can be attributed to their unwillingness to commit themselves until they have had an opportunity to learn at first hand the policies which the new administration will promote and the strength with which it will pursue them.

(2) *Lessening of the Risk of War* — No matter what the authoritative military appreciation may be, public opinion in Western Europe is less apprehensive now than a year ago that the Russians will resort to force in Europe in the near future. The fact that the United States officially appears to disagree with this view will probably have little influence in changing European public opinion but, rather, may well strengthen the European fear that United States policy may lead the West into war.

(3) *The New Character of the Annual Review* — In great part because of the first two factors there has been a growing unwillingness to build up the defensive forces at the rate planned at Lisbon, and the Annual Review is ineffective in persuading members to increase their defence efforts.

(4) *Reduced Influence of SACEUR* — When Eisenhower was Supreme Commander Europe, his influence contributed to the enthusiasm and the sense of urgency for the build-up of defence forces. Since he has been replaced by General Ridgway, whose professional reputation is high but who wields no great influence in the broader field, the political leaders have shown a disposition to discount his advice.

(5) *The Secretary-General* — The appointment of a Secretary-General to NATO has not brought the dynamic and influential leadership which it was hoped would result from setting up this post. Some people unreasonably expected the Secretary-General to be a superman — a "civilian Eisenhower." However, even those who

rejected this fanciful approach did expect the Secretary-General to provide imaginative and positive leadership.

H.F. DAVIS

477. **DEA/50030-40**

Note du chef de la Direction économique pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Head, Economic Division to Under-Secretary of State for External Affairs

SECRET [Ottawa], February 10, 1953

Progress in NATO[3]

For what they may be worth, I should like to put on paper one or two thoughts about the Organization which have been stimulated by paragraphs 3 and 4 of the attached telegram No. 75 to the Delegation in Paris† and by recent discussions in the Department under the general headings "Whither NATO" or "What's wrong with NATO?" Perhaps mistakenly, I find myself unable to get too concerned about the alleged loss of momentum in the Alliance. My inclination is to question the reality, or at least the extent, of the slowing down — which may in fact be more in the nature of a "shaking down" in preparation for the longer and steadier cruise. A routine operation, of the sort required for a cold war of indefinite duration, is bound to be less glamorous and exciting than the feverish ad hoc activity which has accompanied each unforeseen crisis in the past. The tempo of the Organization in the past two years has naturally been influenced by events external to it (e.g. Korea) and by the fact that it is easier to move rapidly in the formative stages than it is later when the questions to be settled become increasingly difficult and complex. The Organization's public relations could certainly be improved but I doubt whether NATO's success or failure at the real job assigned to it should be judged primarily in terms of its Hooper rating or of its standing in the Gallup poll. Generally I fear that we may tend to slip into the error of judging the accomplishments of the Organization against unreal expectations, rather than trying to measure progress against a rigorous appraisal of what could reasonably be expected by way of cooperation and effort in so short a period. In order to answer the question of whether or not the progress of NATO is satisfactory from a realistic point of view, we have only to ask whether Canada itself would have been prepared, or would now be prepared, to go more quickly.

2. Without wishing to go into too much detail, I think some support for this approach can be found in the developments with respect to the build-up of military strength, the Annual Review, Article II, and the exchange of views in NATO on political matters.

[3] Note marginale:/Marginal note:
Noted with interest. W[ilgress]

Military Build-up

3. There have probably been very few occasions short of war, or immediate emergency, when stated defence requirements of military services have been given first priority in national planning. Thus the needs of national forces have usually been met in peacetime only to the extent they seemed necessary and desirable to governments having regard to the many other competing claims on total resources. I think that in NATO the essential relationship between countries' ability to field forces and their economic and political willingness to meet the cost was for a time forgotten or submerged with the result that military goals were set and accepted (and the acceptance was probably not unrelated in most cases to the old game of getting as much United States aid as possible) which were considerably in excess of capacity or willingness to pay given the prevailing degree of international tension. In these circumstances it was, I think, quite inevitable that the focus of attention in NATO should have been steadily adjusted downwards first from military requirements to force goals, then to the achievement even of these goals over a longer period and now to the importance of adequately equipping and organizing forces in being, or which could immediately be brought into being, rather than an immediate further numerical build-up. The eventual goal of an adequate covering force has not been abandoned and must continue to condition longer term military planning but the facts of economic and political life have forced a slowing of the timetable. The build-up is going on but at a rate which corresponds with countries' abilities in the broad sense and not according to a schedule which probably could only seriously be entertained in circumstances of graver emergency. Given that there are real economic and political limits to what can be done in a particular period, I think it important that the necessity for a slower rate of advance be accepted and generally recognized. To go on setting unreal objectives and to pretend up to the last moment that they will be reached can only result in the kind of emotional let-downs which it seems most desirable to avoid. Moreover the danger is that the real and concrete gains of NATO will not be appreciated.

Annual Review

4. There seems to be an impression that for some reason this year's review is not going well, will not lead to much and even that it compares unfavourably with last year's TCC operation. I wonder if this is true. Last year under a timetable which did not permit a full appreciation of the situation and under the whips of the Three Wise Men and the inducement of United States assistance, countries pledged themselves to 1952 goals which in the event exceeded their abilities. This year the main procedural faults of the TCC exercise seem to have been avoided and, instead of trying to force countries to do more, the endeavour appears to be to ascertain whether they can implement their own defence plans and if these plans make NATO sense in qualitative and quantitative terms. All this seems to me to be pretty healthy and the procedure followed appears to fit in with the idea accepted at Lisbon that the Review should be a more or less continuous process and not a high pressure operation. On the new basis it is perhaps not unreasonable to hope that the current Review will result in countries undertaking to make some adjustments in their programmes which they really intend to carry out. Perhaps we should look at

the Review not as an occasion from which startling and far-reaching decisions should be expected to emerge but as a more or less routine operation designed to reveal on an annual basis the extent of progress made and the direction which future efforts should take.

Article II

5. The immediate and direct results of the work undertaken within the Organization to implement Article II have been pretty negligible, but perhaps serve to demonstrate that the importance of this Article should not be specifically related to action to be taken by NATO Agencies as such. In the economic field at least this is not surprising since the main economic problems which face members of the Western Community can hardly be handled on a NATO basis. However, the work being done in NATO on the economic capabilities of member countries has undoubtedly been of considerable value in explaining the particular difficulties of individual members and this understanding can have, and probably has had, important results in other more broadly based bodies dealing with international trade and payments.

6. It may be that the limited success which has attended efforts to give flesh and blood to Article II *through NATO machinery* were a necessary step in clarifying the real significance of this Article. From this point of view it can be argued that the importance of the inclusion of Article II in the Treaty lies in the obligation it places on member countries to pursue harmonious national policies and to encourage international economic and social collaboration. My feeling is that the sooner this is generally recognized the better, and we should get away from the idea that somehow or other Article II has been a failure because the main problems of international trade and payments and other non military matters are not being dealt with through NATO machinery. We should only be worried if those problems are not being satisfactorily dealt with anywhere.

7. The Commonwealth Economic Conference, and the proposals which emerged from it, should surely not be regarded as unrelated to Article II merely because the activity was located outside the confines of NATO. The handling of these proposals has shown, I think, how unsuited the necessarily limited NATO machine is for dealing with — or at least taking the initiative in — certain major economic fields. Later on NATO, like the OEEC, may have some role in connection with these proposals, but whether it does or not these proposals would seem to represent a most substantial contribution towards the objectives of Article II.

Exchange of views on political matters

8. This is outside my field but I venture to suggest that it was never realistic to expect that the Great Powers, who by and large must take responsibility and pay most of the shot (which the smaller powers are not particularly eager to share) would be prepared to accept the thesis that vital matters affecting their national interests should not only be discussed in NATO but formulated in NATO and that in some way they should be regarded as answerable to NATO for their actions. National Sovereignty is still a pretty potent force and we are probably as sensitive about suggested changes in our national plans as other countries. I would have thought that the most which could reasonably be expected in NATO (at least in

Council Sessions) would be a frank exchange of views about matters which there was general willingness to discuss and that the smaller countries, to the extent that they do not have other channels of approach to the United States, the United Kingdom, and France, would have to content themselves with the hope that their interests as expressed in Council, in informal discussions in Paris and through normal diplomatic channels would be taken into account to some extent by the Great Powers concerned within the general framework of cooperation enshrined in the Treaty.

9. I think that useful discussions have already taken place in the Council which, if they did not show immediate and concrete results in terms of the Great Power policies, at least provided a sort of safety valve for countries wishing to express their views on general international political problems. NATO is a long way from being a supranational authority in the field of foreign affairs and I think we would be seriously mistaken to judge its performance against any such criterion.

Conclusion

10. My feeling is that the accomplishments of NATO have not been insignificant in the light of what could reasonably be expected in the time available and that the so-called loss of momentum has been more imaginary than real. Progress has been slower than the expectations which, say Congress, was encouraged to entertain, but I suspect that it would be easy to over-estimate the adverse effects which this may have had on public opinion, or Western morale generally. I wonder whether we may not have allowed NATO, and particularly the business of trying to meet military requirements in Western Europe, at a military speed, to loom disproportionately large in our consideration of foreign and strategic affairs as a whole. I wonder also whether in our consideration of NATO matters we have not attached too great attention to press reports appearing before and after major NATO meetings and too little to a hard-headed assessment of the real possibilities of progress. I sometimes think that the public opinion from which we must draw our support for the rearmament effort is a good deal steadier than that of press correspondents, who after all have to earn a living. This is not to say that a good deal could not be done to improve press coverage of NATO meetings and NATO information policies in its more general aspects. It is only to argue that the press should not be regarded as the touch-stone of progress in the Alliance.

11. For the purpose of this memorandum, I have tried to point out that the achievements of the Organization have not been inconsiderable. I am not suggesting that everything is rosy in the garden and there is obviously much to be done to improve the working of NATO; but further progress is unlikely to be spectacular and we should perhaps get used to the idea that it is an organization not all that much unlike other international bodies from which we do not expect world startling announcements at regular intervals.

12. In paragraph 3 of the attached telegram the suggestion is made that no really substantial results can come from the next Ministerial meeting and that in default of other concrete achievements it might provide a good opportunity to discuss some of the more far-reaching questions of policy bearing on the future of NATO. I hope very much that there is no intention to suggest that the April meeting should concern itself with international economic questions under the general heading of Arti-

cle II. A discussion of these matters would inevitably relate to the proposals drawn up in the Commonwealth Economic Conference. It is by no means sure that these proposals would be suitable for NATO discussions, at least at the stage they may have reached by end April. The question of securing acceptance for the Commonwealth plan is obviously delicate and the position of the United Kingdom is already suspect in most European countries. I think a NATO discussion in which the United Kingdom was put in the box as a delinquent under Article II could do a great deal of harm.[4]

A.E. RITCHIE

2e PARTIE/PART 2

RÉUNION MINISTÉRIELLE DU CONSEIL DE L'ATLANTIQUE NORD
PARIS, 23 — 25 AVRIL 1953
MINISTERIAL MEETING OF THE NORTH ATLANTIC COUNCIL
PARIS, APRIL 23 — 25, 1953

478. DEA/50102-D-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], April 29, 1953

CANADIAN PRESS COVERAGE OF THE APRIL MINISTERIAL MEETING

The press coverage of the April NATO meeting was less generally negative than the coverage of the December meeting. This may be explained by the fact that the December meeting was largely interim in character and that the April meeting was able to define goals and objectives which were only tentative in December. A second reason for the more positive approach by the press was the interest in the policies put forward by the American Delegation which were not possible in December.

2. In any analysis of Canadian press coverage of NATO meetings, the most important fact would appear to be that the press copy is almost ninety percent American in origin with some additional comment provided by Reuters and practically none by the Canadian Press. No Canadian paper had a correspondent in Paris and

[4] Notre copie du document porte l'annotation suivante: The following was written on this copy of the document:

P.S. The above was written before the alleged setting of deadlines by Mr. Dulles. If the news reports on this latter subject are correct, the nature and tempo of NATO's activities may, of course, be affected. A.E. R[itchie]

the Canadian Press[5] man in Paris appears to have filed only three or four stories. The second fact to be noted is that the Canadian papers examined are by no means representative. They are largely from Ottawa, Toronto, Montreal, Winnipeg and Quebec. There were one or two clippings from Halifax and none from west of Winnipeg.

3. The press coverage may be divided into two parts: news and editorial comment.

News

4. The news coverage of the meeting was almost entirely made up of the wire service reports of AP, UP and Reuters. Most of it consistently reflected American policy. Thus the main points of interest were the new American proposal to manufacture jet fighters in Europe, the American emphasis on a stretch-out of NATO defence measures and Mr. Dulles' press conference in which he re-affirmed NATO's determination not to be seduced by the Soviet peace offensive. The emphasis given by the press to the "hard-boiled" attitude of Mr. Dulles at this conference was hardly offset by the coverage given to your own press conference. The latter received some attention, although no separate story was filed by the Canadian Press on the subject. The general impression gained from this American emphasis in all stories about the meeting was that NATO, although still determined to reach its destination, had turned a corner on the journey largely because Mr. Dulles had thought up a short-cut. This short-cut, one gathered, was a greater emphasis on air power as distinct from ground defence and a new deadline furnished by Mr. Dulles for the ratification of the EDC. The latter policy is hardly new, but the former was highlighted by the agreements to manufacture jet aircraft, mentioned above, the decision to train some European officers in the use of atomic weapons, the greatly increased force goals for the air force, the new cost-sharing agreement on infrastructure and the vague reference that appeared in some papers to the atomic bomb as a factor in estimating the risk of war.

5. The usual jumble of figures filled the columns of the press, some of them correct, but none of them remaining consistent from day to day. It would be practically impossible for any reader to form a clear picture of the forces available to NATO or of the amount of money to be spent. Apart from the fact that astronomical figures tend to mean very little, there was the same confusion about infrastructure budgets as appeared in the press after last December's meeting. Thus the infrastructure figures were often referred to as the NATO Military Budget and Canada's share as her contribution to the "NATO bill". It was clear from the press that the actual force figures were lower than was originally planned and that a longer build-up was going to be necessary, but these facts were not entirely consistent with the reports that NATO would not alter course because of a change in Soviet tactics. In other words, I do not think the terms "stretch-out" and "critical year" helped to clarify the methods of NATO. The whole concept of a critical year is misleading and the widely publicized conjecture that it is now abandoned is equally confusing.

[5] Note marginale:/Marginal note:

There was no full-time C.P. [Canadian Press] man in Paris. S.F. R[ae]

6. In general, the news reports gave evidence of certain specific accomplishments such as the infrastructure agreement and the jet plane agreement. It was also apparent from news reports that NATO would now emphasize air power. What remained vague and inconclusive was the nature of American policy and the nature of the means which NATO had decided were best to deter aggression.

Editorial Comment

7. The "Canadian angle" was practically non-existent in the editorials which appeared on the meeting. One or two French language papers stressed the longer term objectives of NATO and the importance in this regard of the open letter which was released just before the meetings began. These papers also stressed that Canada was doing as much as possible for NATO and they went on to develop the implications of the economic strain imposed by unrealistic force goals. Other editorial comment was content to agree with the terms of the final communiqué and to emphasize that NATO must not diminish its effort until the Soviet Government provided evidence of peaceful intentions by concrete action. In an editorial entitled "Not As Bad As It Looks" the *Toronto Star* rather lamely tried to explain away the conflicting statements by Mr. Dulles and M. Bidault on the EDC and the check which the EDC received in the Upper House in Germany as "manoeuvering behind the scenes". The only other editorials which suggested a more searching analysis of American policies appeared in the *Ottawa Citizen*. The latter paper is doubtful of the wisdom of German rearmament and especially of the methods which Mr. Dulles employs to bring it about. One further editorial with a query which might be mentioned was one entitled "Questions for Canada" in the *Toronto Globe and Mail*. The *Globe* did not question NATO policies, but wondered whether it was wise for military planners to expect rapid reinforcement of the Continent by Canadian forces if a war broke out before the end of 1955. The paper is doubtful whether Canada could send reinforcements to Europe in time for any holding action on the Continent to be successful.

L.D. W[ILGRESS]

479. DEA/50102-D-40

Note du cabinet du secrétaire d'État aux Affaires extérieures au sous-secrétaire d'État aux Affaires extérieures

Memorandum from Office of Secretary of State for External Affairs to Under-Secretary of State for External Affairs

[Ottawa], May 1, 1953

With reference to the attached memorandum[6] on press reaction to the NATO meeting which the Minister has read with interest, it might be useful for me to summarize what was actually done in Paris on the press side.

---

[6] Le document précédent./The previous document.

As you [are] aware, the principal burden of press relations during NATO Council meetings rests with NATIS. Mr. Cadieux[7] and myself attended all the briefing sessions concerning press arrangements and Mr. Cadieux was our principal representative on the Communiqué Drafting Committee. At the initial briefing session we were informed that Lord Ismay would conduct most of the press conferences but that special arrangements had been made for Mr. Dulles to give the first press conference following the conclusion of the first session on April 23. At a subsequent meeting Mr. Beyen, the Dutch Foreign Minister, held a conference on behalf of NATO. At the same time the United States side undoubtedly followed their usual practice of holding their own briefing sessions for United States correspondents. Ridsdale[8] of the Foreign Office provided a similar service for the United Kingdom press.

On arrival in Paris I worked with Garneau[9] of the Embassy and at his request arrangements were made for a Ministerial press conference to be held on Friday evening including correspondents having a direct connection with Canadian newspapers and radio stations, plus one or two individual correspondents who were either known personally to Mr. Pearson or who had specially requested an opportunity of seeing him. I attach a list† of those who attended Mr. Pearson's informal and primarily background press conference on Friday the 24th. The physical arrangements for this conference were unsatisfactory principally because a good deal of radio recording equipment had been deposited in the room which was only to have held a few press correspondents. However, on the Saturday afternoon both Mr. Abbott and Mr. Pearson recorded interviews with Lachance of the CBC and Arthur of the French network of the CBC and CBC-IS.

There was also the usual number of telephone enquiries concerning the meeting, most of which I dealt with on an ad hoc basis.

S.F. RAE

---

[7] Marcel Cadieux, conseiller, délégation au Conseil de l'Atlantique Nord.
Marcel Cadieux, Counsellor, Delegation to North Atlantic Council.

[8] Sir William Ridsdale, chef du Foreign Office News Department.
Sir William Ridsdale, Head, Foreign Office News Department.

[9] R. Garneau, agent d'information, ambassade en France.
R. Garneau, Information Officer, Embassy in France.

480. DEA/50102-D-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

DESPATCH 1417 Paris, May 5, 1953

SECRET

FINAL REPORT OF THE MINISTERIAL SESSION OF THE NORTH ATLANTIC COUNCIL, PARIS, APRIL 23-25[10]

The Ministerial Session of the North Atlantic Council which took place in Paris April 23-25 was perhaps the most satisfactory of any that have been held so far and, in some respects, one of the most important. The proceedings went smoothly — partly, no doubt, because contentious issues were avoided, but also, in large part, because the preparatory work of the Permanent Council and Secretariat had been well done. Indeed prior agreement had been reached on what was potentially the thorniest problem, the cost-sharing formula for future infrastructure programmes.

Background to the Meeting

2. In many respects the circumstances in which the Ministers met were unusual. Since the December meeting Malenkov and Company had replaced Stalin and the Republicans had taken over from the Democrats. The renewed Soviet peace offensive had raised far reaching questions affecting the basis of NATO policy. The Republican Administration had given some general assurances but had not taken the vital decisions which would indicate the extent and nature of US aid to NATO countries in the period immediately ahead or the degree of emphasis which they would place on Western Europe as opposed to the Far East. Within the Organization, for reasons with which you are familiar, the 1952 Annual Review had been completed three months too late to have any major effect on country defence programmes; national budgets had already been determined. Finally, there was the continued uncertainty concerning ratification of the European Defence Community Treaty and the availability of the vitally necessary German defence contribution.

3. An important but less obvious element in the background to the meetings was that provided by the discussions in Washington and Paris following the Commonwealth Conference in December, the effect of which was to encourage the tendency in some NATO countries to modify the priority previously accorded their defence programmes in favour of increased emphasis on economic equilibrium and development.

[10] Voir aussi "Session ministérielle du Conseil de l'Atlantique Nord, Paris, 23-25 avril 1953", *Affaires extérieures*, volume 5, nº 6, (juin 1953), pp. 200-204.
See also "North Atlantic Council Ministerial Session, Paris, April 23-25, 1953", *External Affairs* Volume 5, No. 6, (June 1953), pp. 196-200.

Achievements

4. Perhaps the most important item in the Ministerial Meeting was the exchange of views on Soviet policy. This discussion demonstrated a not unexpected unanimity of opinion on the significance of recent developments and provided an important base of political agreement to the measures approved by the Council in the military field. Although there was some difference in emphasis on this subject, Ministers agreed that, unless and until the USSR provided clear and concrete proof of conciliatory objectives, NATO should not alter its present course, but should "assume that the threat to the security of the North Atlantic Alliance remains."

5. Achievements were recorded in the establishment of firm force goals for 1953 and provisional goals for 1954. At the same time it was recognized that these goals were not adequate, from the military point of view, and that the security of the North Atlantic area required a progressive build-up of the size and effectiveness of NATO defence forces. An important development was the confirmation by Ministers of the new methods adopted in the 1952 review by which military advice was made available and reconciled with politico-economic factors during the actual course of the review. Coupled with this development was the less explicit recognition that the NATO build-up with reference to a "critical" year — a method which had given rise to embarrassing gaps between military requirements and politico-economic capabilities — should be replaced by determined, steady progress over the "long haul". This represents an important step in the direction of realistic practical procedure from the political point of view; it should be recognized, however, that it involves some compromise of accepted military requirements, in the short term.

6. Finally an important achievement was the adoption of a long-term financing agreement for Infrastructure, the negotiation of which had been carried out by the Permanent Council.

Unsolved Problems

7. In evaluating the results of this Session, account must be taken of a number of serious problems which the Ministers left untouched or unsolved and which are likely to demand a solution in the near future. Of these the most important related to the future of United States policy toward NATO and, in particular, prospective US aid to North Atlantic Countries. Despite the statements made by the United States Ministers at the meetings, certain substantial doubts remain. In this connection, the events of the next few weeks in Washington will be anxiously followed in Western European capitals.

8. Hints of a change of emphasis were to be found in certain references at the meetings by both Mr. Dulles and Mr. Wilson. The European Members of the Alliance were in future to "set the pace" and the magnitude of United States assistance in the coming year might depend on the progress made toward the establishment of the European Defence Community. There was also a hint that the United Kingdom at least foresaw this change of emphasis with some misapprehension. Mr. Butler stressed the equal interest of all members in the common effort and asked the United States not to underestimate the political and economic importance of their aid programme.

9. The NATO military commanders for their part made it clear that, although they deferred to the authority of the Council, they were not prepared because of non-military considerations to modify their views on NATO's military requirements. Perhaps because of his unfortunate experience in December, General Ridgway, however, was careful to avoid any implication of a challenge to the authority of Council. Nevertheless, he made it quite clear that in his view the military resources at his command were still inadequate for the tasks he had been assigned. Admiral McCormick laid stress on the acute shortages of merchant shipping which would appear in the early stages of war. The main strategic issues involved in the Military Commanders reports were not discussed by the Council. Nor did the Ministers discuss at any length the central and continuing problems of the degree of emphasis member governments should give to defence as opposed to economic objectives. This was probably due in large part to the fact that in most countries, the 1953 defence budgets had already been determined.

10. Finally, there remained the unsolved problem of the participation of Germany in Western defence. During the final session of the Council, the Interim Commission were able to report that agreement had been reached on a German contribution to EDC if and when the treaty were ratified. But the question of ratification remained unanswered. Related to it was the French position in Indo-China on which the Council were only able to note the concern of all members of the Alliance.

The Secretariat

11. A development which was noted with gratification by several Ministers was the evidence of the increased stature and efficiency of the Secretariat. Since the last Ministerial Meeting the International Staff has developed confidence and initiative. Its relations with both the Permanent Council and the Military Advisers have improved and it should now be able to play its part as an efficient part of the "rouage" of the Alliance.

The Agenda

The Chairman

12. Due to uncertainty regarding the outcome of the Danish elections, no Danish Ministers arrived for the Meeting. Mr. Kraft, who ought to have taken the chair, had written suggesting that the Secretary-General should substitute for him. This was agreed. Lord Ismay carried out this duty with wisdom, tact and good humour and was himself largely responsible for the expeditious handling of the agenda.

Item I — *Report by the Secretary General including Progress made on Article 2 Problems and Non-Military Aspects of Defence*

13. There was nothing unusual in the Secretary General's Report. However, Lord Ismay took the occasion to point up three problems. First there was the question of a permanent headquarters for the Organization. Since the decision to move to Bel Air had been taken, it had become apparent that many delegations were not prepared to move outside of Paris. He felt it would be most inadvisable to isolate the Secretariat on the outskirts of Paris if delegations were to remain in Paris. In view of this development he had asked the French Government to suggest an alternative site. Secondly, Lord Ismay indicated that it had become increasingly apparent that

the general public in member countries was very ignorant about NATO and its objectives. This was a serious problem but one which the Secretariat could not be expected to solve. It was clearly the responsibility of member governments to undertake the task of education and it was a responsibility which needed attention. Finally, he reported on the problem of information leaks within the Organization and stated that the chances of a leak appeared to be well over 50%. This was a serious situation; it was essential to search out the malefactors and to make examples of those that were caught.

14. The debate on the report centred on Article 2 matters. Mr. Lange stressed the importance of social and cultural activities and urged member governments to accept the financial implications of progress in this field. He mentioned Norway's proposal for exchanges of students between NATO countries. Mr. Claxton indicated our interest in information and other exchanges between serving forces and the host countries; he also informed Council of Canadian initiative in this field.

15. Mr. Pella made the customary Italian reference to the importance of NATO taking concrete and practical steps in the field of labour mobility to alleviate unemployment in some countries and labour shortage in others.

16. Mr. Wilson made an important announcement that the United States Government had reached agreement on offshore procurement contracts for military aircraft with the Governments of the United Kingdom, France, Belgium and the Netherlands. The contracts, which were signed between sessions of the Meeting, amounted to $281,541,000. A further contract with the Italian Government was in the final stages of negotiation.

Item II — *Discussion of Soviet Policy including Recent Developments*

17. Nearly all the Foreign Ministers (eleven out of thirteen present) took part in the discussion on Soviet Policy which took place in restricted session. It was obviously highly desirable that there should be unanimity of opinion on the interpretation to be placed on recent Soviet moves in order to provide an agreed basis for military planning. The speeches indicated very substantial agreement on all the main issues. In general the Ministers recognized that:

(a) the Soviet moves were difficult to interpret and no firm conclusions could be reached as yet as to the real motives behind them;

(b) these moves were purely tactical in nature and, so far, except for the proposal concerning the exchange of sick and wounded prisoners of war in Korea, they were more apparent than factual;

(c) unless and until Soviet moves were to be more concrete and to provide clearer proof of conciliatory objectives, NATO countries should not alter their present course;

(d) in particular, NATO countries should continue to develop their strength on a collective basis and endeavour to maintain a satisfactory balance between their military build-up and economic requirements;

(e) while the NATO nations must always be ready to negotiate if genuine opportunities were provided, they must be careful not to be lulled or deceived by Soviet moves which might be devised for this particular purpose;

(f) it was essential to warn public opinion in the NATO countries against the dangers of unwarranted and premature optimism as to Soviet intentions.

18. You drew attention to the possibility that recent Soviet moves might have been inspired partly by alarm at the development of Western strength and unity in answer to Soviet aggression and partly by a desire to create economic difficulties for the West. To meet the latter objective, economic counter measures might become necessary to maintain stability and progress in the NATO countries. On the political side, every possible action should be taken to avoid public opinion being misled, but the distinction should be clearly established between our desire to negotiate and our refusal to be deceived. The hard task before us was to keep dry the increasing amount of powder at our disposal and yet to retain a cooperative attitude and a willingness to negotiate.

Item III — *Exchange of Views on Other Matters of Common Concern*

1. *The European Defence Community*

19. There was a routine progress report on this vital subject during which nothing exceptional or new was said.

20. M. Bidault confirmed the French Government's intention to proceed as quickly as possible with ratification and to avoid delays other than those which might be necessary to facilitate parliamentary approval. He could not be any more specific than this on the question of timing.

21. Mr. Dulles reiterated the conviction of the United States Government that the military contribution of Germany was essential to the defence of the North Atlantic Area and that the manner in which it could best be made was through participation in EDC. He said it was clear that the US Government's foreign aid programme would be influenced by the progress made toward ratification.

22. Mr. Van Zeeland indicated that his government anticipates an easy passage for the EDC in the Belgian parliament. However, in view of the importance of the Treaty they were taking steps to ensure as near unanimous a vote as possible. He hoped for a vote before the Parliamentary recess.

23. Mr. de Gasperi reported that a special Italian parliamentary committee had already approved the Treaty. Obstructions arising out of electoral reforms had delayed ratification but he hoped that this would be one of the first acts of the new legislature.

24. Mr. Beyen admitted that steps toward ratification in the Netherlands were proceeding slowly. This was due to the importance of the Treaty and the characteristic thoroughness of his country; it did not imply a slackening of the desire of his government to secure approval and he was confident that the outcome would be satisfactory.

25. Mr. Beck reported that the Luxembourg Parliament would approve the Treaty before the end of the current session.

26. Mr. Selwyn Lloyd reiterated the United Kingdom's desire for the closest possible association with EDC in the political as well as the military field.

2. *Indo-China*

27. M. Bidault, referring to the Council resolution of 17th of December 1952 pointed out that the French Government was now countering a new aggression with definite strategic objectives in Laos. He felt that the Council should express its concern over the situation and that both his request and the views of the Council should be recorded in the final communiqué.

28. The Greek, US and Italian Foreign Ministers supported M. Bidault's proposal. The Danish and Norwegian representatives, while recognizing the importance of Indo-China, felt strongly that the communiqué should not be worded in such a way as to imply an extension of the obligations of member countries beyond those contained in the Treaty.

3. *Anglo-Egyptian Relations*

29. Mr. Selwyn Lloyd gave a résumé of the Anglo-Egyptian negotiations at which agreement had been reached on the future of the Sudan. He reiterated the UK policy during the transitional period of maintaining an orderly administration and neutral atmosphere so as to permit the people of the Sudan to have freedom to make their own choice of government and affiliation. He anticipated some trouble, however, as there had already been evidence of Egyptian interference.

30. On April 27th talks with Egypt would begin on the questions of Middle Eastern Defence and the maintenance of an effective base for the Free World in the Canal Zone. He stressed the requirement for educating the Egyptians on the need for defence planning in time of peace. There was little evidence of a realistic understanding of this need in Egypt at the present time.

Item IV — *Military Progress Report*

31. Admiral McCormick and General Ridgway made short statements on the report. Admiral McCormick said his staff was functioning satisfactorily and he was very pleased with the officers which member governments had provided. Emergency planning was well advanced and longer term planning was now being undertaken. He emphasized the shortage of merchant shipping which would appear in the early stages of a war; even without any losses there would be a substantial shortage.

32. General Ridgway, in a careful statement said that although the great progress which had been made in building up the forces under his command gave grounds for "sober optimism", NATO was still far from its force goals. Also intelligence reports plainly indicated that the USSR was building up its offensive capabilities. Grave deficiencies existed in the forces at his command and he felt it was "of the most urgent importance" that these deficiencies be rectified. He cited existing grave deficiencies in air power, in combat ready land forces, in logistic support including ammunition and petroleum products for both air and land forces, in naval escort and minesweeping vessels and the need for certain basic organizational changes. In addition, he cited the problem of securing adequate warning of enemy attack and stated that the period of warning which intelligence is willing to assure is insufficient.

Item V — *Estimate of Military Risk*

33. There was no discussion under this item of the Military Committee's "Estimate of the Military Risk". The chairman of the Military Committee, in introducing the report, stated that while progress had been made, the order of magnitude of the increase in forces over those presently available, when compared with estimated requirements, still did not appear to justify any significant change in the very broad estimate made for the December meeting (MC45).

34. When discussing the resolution on the 1952 Annual Review (C-M(53)47(Final)) the Ministers included a paragraph:

"recognising, particularly in the light of the Military Committee's Estimate of the Military Risk and the Council Report on Trends in Soviet Policy, that the threat to the Security of the North Atlantic Alliance remains."

Item VI — *Final Report on the 1952 Review and Plans for the 1953 Review*

35. The 1952 Annual Review was carried out under difficult conditions. The change of Administration in the United States and the preoccupation of the UK and France with economic problems involving a tapering off rather than an increase of defence expenditures resulted in a lack of direction and leadership on the part of these three countries at the time when the Review should have been completed in late 1952. By the time the second part of the 1952 Review was presented to Ministers, defence budgets for 1953 — 54 had been firmed up in most countries and it was generally recognized before the Ministerial Meeting that no major adjustments were possible in the 1953 Defence Programmes.

36. During the period between the December and April Ministerial Meetings, the Secretariat, in an endeavour to fill some of the more urgent gaps in recognized military requirements, had suggested substantial increases in defence expenditures for many countries. These suggestions had received no support from the Permanent Representatives on the grounds that they were not realistic; defence budgets had been brought down and it was too late to change them. The Ministers confirmed this attitude by not making any reference to the Secretariat suggestions.

37. Despite the difficult conditions in which it was prepared, the Annual Review marked an important stage in the development of relations between the Council and the Military Commanders. New force goals were established for 1953 and 1954 and important improvements in the quality of forces are under way. In both these matters the guidance of the Supreme Commanders was brought to bear in a constructive way. For its part, the International Staff played an important role by persuading the military authorities to drop many suggestions of an impractical character — thus reducing the gap between military proposals and the national politico-economic capabilities.

38. During the Ministerial discussion of the report, important statements were made by Messrs. Pleven, Wilson, Butler and Pella. All these statements laid stress on the desirability of improving the quality of forces, the necessity of making the best and most economical use of defence expenditures and the need for "long haul" planning taking into account the levels of defence efforts which the economies of NATO countries could support. There was recognition of the inadequacy of NATO forces but the emphasis was on the necessity of paying attention to politico-economic realities. There was no mention of increased defence expenditures. Indeed

Messrs. Butler and Pleven accepted the tentative force goals for 1954 only on the understanding that their countries' economies did not fall into difficulties.

39. Lord Alexander welcomed the fact that the 1952 report had been based on the military recommendations of the Supreme Commanders. He said he considered that Annual Reviews should be the means by which, year by year, the build-up of the common defence effort should be examined, points of weakness determined and recommendations made as to how these weaknesses could be put right in ways which were not beyond the countries' economic powers.

40. The Ministers' statements and the resolutions on the 1952 and 1953 Annual Reviews confirmed the techniques which were adopted for the 1952 review by which military guidance and politico-economic realities were correlated in advance of Ministerial Meetings.

41. There was little discussion on the 1953 Review. The Resolution passed by Ministers indicated that the new Review should be completed by October 1953 and should be of the same general character as the 1952 Review.

Item VII — *Infrastructure*[11]

42. Prior to the Ministerial Meeting, agreement had been reached in the Permanent Council on a cost-sharing formula which would apply to the residue of the Fourth Slice Programme and to the three-year programme. Ministers had only to take note of and express their satisfaction with the agreement. There was some discussion on whether the percentages should be released to the Press. Since the figures had "leaked" before the meeting and had been printed in one French newspaper, it was decided to release them officially.

Item VIII — *Principles governing future Ministerial Meetings of the Council*

43. It was agreed in principle that two Ministerial Meetings should be held each year but that it should be understood that emergency meetings could be called if necessary. The scheduled meetings should be held in April and October if possible.

44. It was not found advisable to set a definite date for the next meeting as the date depended on the date of receipt of the last annual review reply. Lord Ismay reminded the Ministers of the necessity of allowing a three-month interval between the receipt of the last reply and the date of the Ministerial Meeting in order to permit proper preparatory work by the Secretariat and Permanent Council.

Item IX — *Other Business*

45. Two subjects were discussed. M. Bidault repeated his request of last December that member governments should ratify the Status of Forces Protocol as soon as possible.

46. Mr. Ockrent[12] the chairman of the Working Party on the German contribution to EDC reported to Council on the agreement which had been reached on April

---

[11] Les forces militaires stationnées en Europe ; on appelait "tranches" les augmentations apportées au programme d'infrastructure.
Fixed military assets in Europe; additions to the infrastructure were known as "slices".

[12] R.A. Ockrent, représentant permanent et chef de la délégation de la Belgique auprès de l'OECE.
R.A. Ockrent, Permanent Representative and Head of Delegation of Belgium to OEEC.

24th. Under this agreement the Federal Republic undertook to provide global figures to cover occupation costs and defence expenditures on the entry into force of the EDC Treaty. Messrs Butler, Bidault, Dulles and Gasperi all expressed their satisfaction with the Agreement.

Item X — *The Communiqué*

47. A copy of the communiqué is attached.† Because of the noncontroversial character of the meetings, the drafting of the communiqué presented no major difficulties. Two points bear mentioning. On the question of the interpretation of Soviet policy we wished to word the communiqué so as to make allowance for the possibility that the Soviet peace moves might later be proved to be genuine. The French and Turkish Delegations were very reluctant to agree as in their view there was no possibility of their being genuine.

48. On the question of Indo-China, the French Delegation wished the communiqué to express the Council's concern over the recent invasion of Laos. The Danish and Norwegian Delegations, while sympathizing with the French position, were concerned lest this wording should imply an extension of the obligations of member countries beyond those contained in the Treaty.

A.D.P. HEENEY

P.S. copies of this despatch are being referred direct to Canada House and the Paris Embassy. You will no doubt wish to refer copies to the Missions in other NATO countries.

CANADIAN DELEGATION TO MINISTERIAL MEETING OF THE NORTH ATLANTIC COUNCIL APRIL 1953

Ministers	
The Hon. L.B. Pearson	Secretary of State for External Affairs, Chairman of the Delegation
The Hon. Brooke Claxton	Minister of National Defence
The Hon. D.C. Abbott	Minister of Finance
Department of National Defence	
Lt. Gen. Charles Foulkes	Chairman, Chiefs of Staff
Maj. Gen. J.D.B. Smith	Military Adviser to Permanent Representative
Rear Admiral H.G. DeWolf	Canadian Member of Military Representatives Committee
Brigadier H. Cameron	Adviser
A/C H.H.C. Rutledge	Adviser
Lt. Col. H.E.C. Price	Adviser
Lt. F.J. Lisowski	P/A to Gen. Foulkes
Civilian	
Mr. C.M. Drury	Deputy Minister of National Defence
Mr. W.H. Dumsday	Director of Public Relations, Department of National Defence
Mr. P. Marshall	P/A to Mr. Claxton
Department of External Affairs	
Mr. L.D. Wilgress	Under-Secretary of State for External Affairs
Mr. S.F. Rae	P/A to Mr. Pearson
Mr. John Halstead	Adviser
Mr. J. Warren	Adviser
Department of Finance	
Mr. J.J. Deutsch	Assistant Deputy Minister of Finance
Mr. C.L. Read	Adviser
Permanent Delegation (Resident in Paris)	
Mr. A.D.P. Heeney	Permanent Representative
Mr. A.P.W. Plumptre	Deputy Permanent Representative
Mr. M. Cadieux	Adviser
G/C G.N. Newsome	Adviser
Mr. D.B. Mundy	Adviser
Mr. A.B. Hockin	Adviser
Mr. F.G. Hooton	Adviser and Secretary of Delegation
Mr. D.H.W. Kirkwood	Adviser and Asst. Secretary of Delegation

3e PARTIE/PART 3

CONSULTATION POLITIQUE
POLITICAL CONSULTATION

481. DEA/50115-J-40

La délégation au Conseil de l'Atlantique Nord
au sous-secrétaire d'État aux Affaires extérieures

Delegation to North Atlantic Council
to Under-Secretary of State for External Affairs

LETTER NO. 1661 Paris, May 27, 1953

SECRET

POLITICAL DISCUSSIONS IN THE COUNCIL — THE BERMUDA CONFERENCE

During the last few days, we had been considering, within the Delegation, whether we should not raise during an informal meeting of the Council the question of NATO's relationship to the proposed tripartite talks in Bermuda.[13] On reflection, we decided against taking the initiative in this regard, partly in view of our own special ties with the United Kingdom and the United States — we were probably kept better informed both in London and Washington than most other NATO countries — partly in view of the great delicacy of the issues now pending between the United Kingdom and the United States and the overriding necessity of not taking any steps which might complicate the achievement of the greatest degree of unity between the two.

2. While we were clear that we should not take the initiative of suggesting a discussion on this delicate issue, we were of the view, however, that if the tripartite understanding was essential to the Alliance, it was equally important that the Big Three should not give the impression that they were prepared to meet the Soviet leaders and discuss issues affecting the security of their NATO partners without consultation with them. We discussed this matter with Lord Ismay and found that his thoughts were running generally in the same direction.

3. At the meeting of May 27, during the informal discussion, Lord Ismay enquired whether the Representatives of the Big Three could throw any light on the

[13] La Conférence des Bermudes était la réunion tripartite des chefs de gouvernement des États-Unis (le président Dwight D. Eisenhower), du Royaume-Uni (le premier ministre Winston Churchill) et de France (le président du Conseil Joseph Laniel) ; elle devait commencer le 29 juin. Elle fut retardée à cause de la maladie de M. Churchill et eut finalement lieu du 4 au 8 décembre. Dans l'intervalle, une réunion des ministres des Affaires étrangères devait avoir lieu à Washington à partir du 10 juillet.
The Bermuda Conference was a tripartite meeting of the Heads of Government of the United States (President Dwight D. Eisenhower), the United Kingdom (Prime Minister Winston Churchill) and France (President Joseph Laniel); it was scheduled to take place starting June 29. It was postponed to December 4-8 because of the illness of Mr. Churchill. In the meantime, a meeting of Foreign Ministers was scheduled to take place in Washington starting July 10.

Bermuda Conference. The United States Representative was not in a position to say much: so far as he knew, no date and no agenda had been set yet. He agreed, however, with the Secretary General's suggestion that as arrangements were developed other NATO countries should be appropriately informed.

4. The United Kingdom and the French Representatives explained that they had no information additional to that given by their United States colleague but they took note of the Secretary General's hope that any information available would be given to the Council in secret session. He felt it was only right that the Council should be kept fully in touch.

5. I am confident that the Secretary General's discreet intervention will have its effect. It will draw attention to the need not only of keeping the Council informed of arrangements relating to the Bermuda Meeting but it may also remind the Big Three that at some stage they will have to take into their confidence their partners in the Alliance over any conclusions they may reach as to the general tactics to be followed vis-à-vis the USSR "peace" offensive or as regards proposed negotiations on major issues such as Germany.

A.D.P. HEENEY

482. DEA/50115-J-40

La délégation au Conseil de l'Atlantique Nord au sous-secrétaire d'État aux Affaires extérieures

Delegation to North Atlantic Council to Under-Secretary of State for External Affairs

LETTER NO. 1839 Paris, June 10, 1953

SECRET

INFORMAL COUNCIL MEETING OF JUNE 10 — POLITICAL DISCUSSIONS IN THE COUNCIL: FREQUENCY OF INFORMAL MEETINGS

The Belgian Representative suggested that in view of the fact that important conferences were about to be held, the participating countries might find it profitable to seek the views of their NATO partners through informal Council meetings. He was immediately supported by the Italian Representative who indicated that his Government wanted to be kept informed of developments concerning these conferences and that, in his view, the best way to do so might be through these informal meetings.

2. The Turkish Representative then intervened in the strongest terms and urged that the Council be kept fully in the picture as regards the proposed Conference; he thought that such a procedure was "primordial" for the future of the Alliance and he could not understand why this had not been done already. The Representatives of the Big Three merely took note of these suggestions and undertook to report them to their respective Governments.

3. Without referring specifically to the Bermuda Conference, a number of representatives expressed the view that the practice of weekly informal meetings should be revived, particularly during the next few months when important discussions and meetings were in prospect. The Deputy Secretary General who was in the chair, in Lord Ismay's absence, intends to follow up the suggestion; he will report to Lord Ismay the views of the Council on this point and he proposes to arrange an informal meeting, sometime next week.

4. Mr. Anderson, the acting United States Representative reported that there had been some concern in Washington at the prospect that the Council might not meet during late July and August; we had already, on a number of occasions warned against the principle of a "fermeture annuelle" for NATO and we therefore supported our United States colleague in suggesting that, even during the leave period, the Council should meet as required. If Permanent Representatives were absent they could always be represented by a member of their Delegation. There was some importance in not allowing the impression to spread that for nearly two months in the summer the "Permanent" Council was not in session.

A.D.P. HEENEY

483. DEA/50115-J-40

La délégation au Conseil de l'Atlantique Nord
au sous-secrétaire d'État aux Affaires extérieures

Delegation to North Atlantic Council
to Under-Secretary of State for External Affairs

LETTER NO. 1989 Paris, June 18, 1953

SECRET

INFORMAL COUNCIL MEETING OF JUNE 17 — POLITICAL DISCUSSIONS IN THE COUNCIL: THE BERMUDA CONFERENCE

Reference: Our letter No. 1839 of June 10, 1953.

The United Kingdom, the United States and the French Permanent Representatives reported that so far as they knew, no date had been fixed yet for the Conference. There was also no set agenda and it was thought that the discussion would range over a very broad field. Their Governments were conscious, of course, of the interest on the part of other NATO Governments in what might be discussed but there was no suggestion that anything might be done in Bermuda which might prejudice the interests of any of the NATO countries. In any case, as soon as anything definite could be said, it would be passed on to the Council. In the meantime, the United Kingdom Representative suggested it might be useful for the participating countries to hear the views which other governments might wish to express on any of the subjects which might be discussed in Bermuda.

2. Lord Ismay took this opportunity to say that lately he had been worried by the feeling that NATO was going downhill. There seemed to be less enthusiasm, less

interest in NATO than there had been before. He thought that after the first Soviet peace doves had been released, the Council had agreed that there was no excuse for relaxation or for easing off in any way. Yet, when he looked at what had happened since, he was disturbed. The USSR had made more accommodating gestures but not a single Soviet soldier had been demobilized. On our side, everywhere, there were signs of slackening off, of slowing down:

(a) the United States Air Force vote had been slashed;

(b) all NATO Governments were now admitting that they had to flatten out their defence expenditures;

(c) the Lisbon figures were now out of question: the problem now was whether we could afford to maintain what we already had;

(d) the German defence contribution was in the "deep freeze";

(e) MEDO was not yet in sight;

(f) the Italian elections had been disappointing;

(g) the familiar figures in the Council were being replaced by people who were not always of the same calibre;

(h) Holland and Belgium were sending their Permanent Representatives off to Rome for a long period of duty;

(i) General Ridgway had just issued a clarion call: it had hardly been noticed.

Lord Ismay felt that it was his duty to draw these matters to the attention of the Big Three; he proposed to circulate a draft for the consideration of the Council, telling these governments, in substance: "We have a feeling that we are losing ground, that we are slipping; we want a shot in the arm". He thought that the issuance of a communiqué by the Council before the Bermuda meeting might also be considered.

4. The Permanent Representatives welcomed Lord Ismay's statement and agreed that he had expressed some of the concern they had felt themselves. They agreed also that he might draft a paper outlining his views for consideration at the next informal meeting of the Council. Many had, however, serious reservations whether it would be desirable, at this stage, to issue any public communiqué or statement on such delicate issues. The United Kingdom Representative argued that NATO should not seek to live on excitement and give the impression that it was wrong for the present tension to be relaxed. He was strongly supported by our Netherlands colleague.

5. The Netherlands and the Belgian Representatives assured Lord Ismay that their NATO duties still remained their primary concern and that they were sent to Rome only for a fortnight because of a shortage of available personnel to undertake this task; in the case of Norway, it was explained that due to the illness of the Minister of Commerce, Mr. Skaug had had to replace him but he was due back in Paris some time in August at the latest. Mr. Anderson,[14] the acting United States Representative pointed out that Mr. Draper had remained in Paris longer than was originally

[14] F.L. Anderson, représentant spécial suppléant des États-Unis en Europe, à Paris.
F.L. Anderson, Deputy Special Representative of United States in Europe at Paris.

intended and that his departure together with that of a few other Permanent Representatives was merely due to a coincidence.

6. The Netherlands Representative indicated that, in the view of his Government, anything which tended to relax tension should be welcomed. It was true that his Government did not have any confidence in the intentions or the motives of the USSR but if an atmosphere could be created where unpleasant incidents might be more easily avoided and discussion became possible this would constitute a step forward. Even if some settlement was reached, the lack of balance between the Armed Forces of the two camps was such that the NATO defence build-up had to be continued. It was for this reason that NATO and the EDC were a continuing necessity. A relaxation of the tension should not necessarily imply a relaxation of effort.

7. M. Alphand thought that there was a contradiction between a relaxation of tension and a continued defence build-up. As a result of the recent Soviet moves, tension had been reduced and for that very reason ratification of the EDC Treaty had become impossible in certain Parliaments. It was, therefore, very important to explain the real nature of the relaxation which the USSR was trying to achieve if the build-up of NATO Forces was to remain possible.

8. The Netherlands and the Belgian Representatives suggested that it might be desirable not to issue a very detailed communiqué at the end of the Bermuda Conference; this made discussions more difficult with the other NATO countries as they are thus bound in a practical way, and might also complicate subsequent negotiations with the USSR. They felt that the Big Three should not tie their hands in advance or indicate, for instance, that certain particular issues had to be settled first. The fewer pre-conditions, the greater the chances of reaching eventual agreement.

9. Like a number of his colleagues, the United States Representative emphasized that in so far as the United States were concerned, NATO was the cornerstone of their foreign policy; only very recently, he had received from the United States a number of messages which confirmed this position. As regards the USSR, the tendency in the United States was to follow a very realistic course; without letting down their guard, and believing anything until it happens, the people as well as Congress and the Government were prepared to see whether a common course towards peace could be found. Recent budget cuts did not reflect a change in their attitude as regards NATO but concern over the efficiency with which official funds had been used in the past.

10. I drew attention to a theme which I thought had been running lately through a number of speeches made by our Secretary of State for External Affairs: it seemed that the USSR had altered their approach and were now developing a theme which might be more dangerous to the free world; there were signs that they had found a chink in our armour; the greater interest shown in the possibilities for East-West trade were possibly significant in this regard. They might hope that the free countries would fail to liberalize their trade, develop their commerce, and that they may become so hampered by increasing restrictions that they would miss their opportunity to achieve their eventual aims. This represented, in the economic field, a danger perhaps as great as that which had brought about the Alliance. My United King-

dom colleague agreed that the USSR were counting on a slump in the West. It was for this reason that his Government attached great importance to the economic aspect of NATO. The problems involved could not, however, be solved by individual member countries; what happened in the United States was particularly important. Just as the United States felt that the EDC was essential to the defence of NATO, it was necessary for them to realize that the military effort would collapse unless adequate economic measures were taken.

11. In winding up the discussion, Lord Ismay made three further points:

(a) he did not feel that member countries had lost interest in NATO but some of the things they had done lately could be so interpreted;

(b) a relaxation of the tension between the two camps and an increased NATO defence effort were not incompatible;

(c) as the Big Three will meet without an agenda, it may be useful to remind them of the importance of NATO. He undertook to circulate his draft paper before the next informal Council meeting on June 24 next.

12. I feel that in suggesting that a concrete step might be taken before the Bermuda meeting to draw the attention of the Big Three to a number of disturbing facts concerning the Alliance, Lord Ismay has performed a very useful task. I expect that his draft will provide an effective basis for further discussions which may clarify our thoughts on the prospects of the Organization in the face of the developing Soviet manoeuvres and its repercussions within the NATO countries.

A.D.P. HEENEY

484. DEA/50115-J-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

DESPATCH 2013 Paris, June 23, 1953

SECRET

POLITICAL DISCUSSIONS IN THE COUNCIL

It may well be that the fact that the Big Three have not consulted their smaller NATO partners concerning the Bermuda Conference illustrates certain fundamental limitations upon the extent and nature of political discussions in the Council. There may be a lesson in this which should not be lost sight of in the future.

2. Clearly, the Alliance cannot work unless the United Kingdom and the United States, and probably these two and France, are in essential agreement. This is the unwritten law. As long as no important changes occur in the international situation involving major policy issues, the Big Three are likely to follow broadly a similar course, and they will be willing to consult within the Council on points of secondary importance without prior agreement between themselves. Their basic identity

of views is such that they are likely to develop similar attitudes even as regards minor issues, so that, normally, they are prepared to discuss such problems with their NATO partners in the Council in a fairly easy and open fashion.

3. If major problems arise, such as a change in the orientation of Soviet policy, then the position is different. The Big Three can no longer accept an open discussion in the Council. The forum is too wide; the security risk too great. Before the Big Three are ready for a Council discussion on these issues, a number of preliminary steps must be taken. First, there must be a series of bilateral exchanges between them, e.g. between the UK and USA, between the UK and France, between France and the USA. These exchanges are often supplemented by Commonwealth discussions in the case of the United Kingdom and, perhaps, by consultations between France and a number of European countries. Gradually, as an acceptable basis for a tripartite agreement emerges, the stage is set for wider Council deliberation.

4. It would obviously not be wise for Canada to press for early Council discussion on basic policy matters, before the United Kingdom and the United States are in substantial agreement on the issues. In the first place, an agreement on major questions is likely to be much more difficult to reach in the Council than through bilateral talks. Secondly, from our own narrow point of view, our contacts in Washington and in London will usually give us the information we require and, when necessary, we can make our views known. The Council, therefore, is not indispensable to us for these purposes. To some extent, this may be true also for the Benelux countries in view of their relations with France and, to a lesser degree, for the Scandinavian countries because of their close relations with the United Kingdom.

5. Thus, while the process of reaching agreement among the Big Three is unfolding, an understanding of the issues involved extends simultaneously to a fairly large number of NATO countries. While many of the smaller countries may object to the lack of prior consultation within the Council, they are almost sure to appreciate that the Council is not an adequate instrument to formulate policy on major questions, and that a substantial degree of consultation with them will take place outside the Council.

6. The lesson is clear, it seems to us. The Council is not and cannot be the forum where all basic policy issues facing NATO can be settled. Even if these policies are not determined as a result of formal Council discussions, the Alliance is not necessarily weakened as a result. If this is true, it might be just as well to recognize it and for the smaller countries to refrain from needlessly rocking the boat.

7. The above situation is not wholly satisfactory in two respects. First, there is the question of determining which policy matters can best be dealt with outside the Council. Here, it is obvious that the more firmly established the habit of political exchanges within the Council, the less inclined will the major powers be to exclude from the Council discussions which could profitably take place there. The second difficulty is that some members of the Alliance — Greece, Turkey, Italy and perhaps Norway and Denmark, may not be in close enough touch with the Big Three at the preliminary and tentative stages of the discussion. If the procedure described

above is to become the recognized one (because it seems to be the only practical one) it follows that the Big Three should undertake, through the usual diplomatic channels, to consult these countries in advance.

8. The conclusion is interesting. The North Atlantic Council should not attempt to discuss all basic and major policy problems; it may well have to deal with these problems only when such a degree of unanimity has been reached through other methods of consultation that it will merely record general agreements which have been reached elsewhere. This, we feel, should be quite acceptable, provided — as we indicated above — agreement is also reached, formally or not, on the need for prior and bilateral consultations with all the countries concerned and on the desirability of discussing within the Council all other less vital issues which are not likely to divide the Big Three and thus paralyse the Alliance.

9. It may well be that we must await the supranational Council before we can expect that basic decisions will be reached by NATO on major problems. The solution suggested above, would however, be unlikely to satisfy some countries whose contacts are less satisfactory than our own.

A.D.P. HEENEY

485. DEA/50115-J-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 512 Paris, June 24, 1953

SECRET

INFORMAL COUNCIL MEETING ON JUNE 24 — THE BERMUDA MEETING

Reference: Our letter No. 1989 of June 18.

The new United States Permanent Representative supplemented the statement made last week by Mr. Anderson; he reported that the Bermuda meeting was scheduled for July 8, that the discussion would be very informal, without a fixed agenda, with a view to facilitating the exploration of subjects of mutual concern. For this reason, the number of experts and advisers would be kept to a minimum. It was expected that the fundamental problem of the relations between the free world and the Soviet orbit would be raised and that, in particular, the focal points of tension between the two would be examined. In this regard, Mr. Hughes stated that while his government could not undertake to speak for other governments, they would welcome the views of other NATO countries on the recent evolution of Soviet policy. He added that he could give an assurance that no action would be taken or decisions made which might prejudice the interests of other NATO governments. It was not expected that major issues would be settled at the meeting. He

concluded his statement by emphasizing the usefulness of Council consultations in the view of his government on matters of common interest.

2. Both the French and the United Kingdom representatives expressed agreement with Mr. Hughes' statement. They stressed that any conclusions reached in Bermuda would be the subject of subsequent consultations with the NATO governments concerned. Furthermore, while they felt that discussions within the Council would serve a useful purpose, in view of the short time available before the meeting, other NATO governments were invited to pass on to the Big Three through the normal diplomatic channels any points which they felt might be taken into account during the Bermuda meeting.

3. Reverting to his paper, Lord Ismay suggested that it might be circulated tomorrow (June 25) and discussed possibly at a special Council meeting on June 30. The paper, we understand, is to consist of two parts: (a) the present position of NATO (how it seems to be falling off); (b) some concrete suggestions as to what might be done to arrest the present drift.

4. At the suggestion of the French Permanent Representative, it was further agreed that the Working Group on Soviet foreign policy should be revived and that it should attempt to prepare, if possible before the Bermuda meeting, an agreed note on Soviet policy. The Secretariat reported that they had prepared a factual note listing the various recent Soviet policy moves; the note was to be circulated today or tomorrow.

5. *Action required*: It now appears that the Council will discuss in the near future:

(a) any points which governments may wish to make in connection with the Bermuda meeting, and in particular on recent trends in Soviet foreign policy;

(b) Lord Ismay's draft which will be cabled to you as soon as it is available.

We should, therefore, appreciate receiving guidance as to any comments or points which you might wish us to make in the course of these council discussions.

486. DEA/11815-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM 547 Ottawa, June 27, 1953

SECRET. IMPORTANT.

BERMUDA MEETING

Reference: Your telegram No. 512 of June 24.

We shall send you separate telegrams regarding Soviet foreign policy and the Ismay paper referred to in your paragraph 5. In this telegram we shall deal mostly with the possibility of a Big Four Conference. We do not see any advantage in the NATO Council talking about the Korean truce and closely related Far Eastern

questions and, for our part, shall continue to use other channels to put forward Canadian views.

2. It is obviously desirable that the Big Three should not give the impression that final decisions on matters of common concern will be reached at Bermuda without consultation with other interested governments, and particularly with partners in NATO. For that reason we are happy to note the assurance of the United States representative that "no action would be taken or decisions made which might prejudice the interests of other NATO governments." We welcome, also, the stress which the United Kingdom and French representatives apparently placed on the assurances of subsequent consultations with the governments concerned. We have just received from the US Embassy a letter which says in part:

"1) The Bermuda Conference is primarily intended to permit an exchange of views on broad trends and general topics of mutual interest without necessarily reaching conclusions.

2) It will be essentially informal and without predetermined agenda.

3) In any event the US Government would not make at Bermuda new policy decisions directly affecting the national interests of any friendly power or flowing therefrom without consulting with the interested Government.

If the Government of Canada feels that any issue which might be discussed at Bermuda would possibly affect the interests of Canada I would be pleased to convey to Washington any views which you might wish to express in this connection."

We shall at the beginning of the week telegraph to you a copy of our reply to the Embassy.

Possibilities of a Big Four Conference

3. We expect this subject to be one of the important questions at the Bermuda meeting. Our views are summarized in the following paragraphs.

4. Churchill's initiative in proposing a four-power meeting has met with a tremendous response in the United Kingdom, France and Italy particularly. Failure to hold such a meeting would, in view of the enthusiasm that has been engendered, probably produce a serious reaction in those countries. We think therefore that, in view of what has passed, a four-power meeting should be held. However, because of the exaggerated hopes that millions of people will place on such a meeting, it will be important to try to bring world public opinion into a moderate condition before the meeting is held. And, of course it will be important that the United Kingdom, France, and the United States should be on guard against the USSR using the meetings to sow further dissension between the United States and her allies.

5. Although we are on the whole in favour of a four-power meeting, we consider that its timing will be of great importance and we do not consider that Canada should take a lead in urging the holding of it, particularly at this time. If the question of holding such a meeting becomes a matter of serious disagreement between the United States and United Kingdom, our position may become difficult.

6. At the Prime Minister's conference in London Mr. St. Laurent said that, when he heard about the Bermuda meeting, he hoped it would lead to a subsequent meeting with the Soviet Union. He also said:

"Care should be taken to avoid the impression that the Bermuda meeting was an attempt to concert action against the Soviet Government; but, if the Russians wished to provide themselves with an excuse for causing a breakdown in a subsequent Four Power meeting or to refuse to take part in one, they would not find it difficult to invent some other pretext."

7. It seems to us that a four-power meeting might assume one of these two forms:

(a) An early informal meeting, not designed or intended to lead to agreement on specific subjects. This would be held, from the Western point of view, primarily in the hope of obtaining some inkling of Soviet intentions.

(b) A later and more formal meeting, designed to reach specific agreements on particular issues, following preliminary agreement on the Austrian and German problems.

8. Unless the discussions at Bermuda give some indication that the three Allied Governments consider that there is a genuine basis for fruitful negotiations on both Germany and Austria at the present time, it would probably be best, if a four-power meeting is to be held at all, to hold it on the informal basis. As previously stated, one of the objections to a formal meeting is that it would raise false hopes throughout the world; this danger should be smaller with an informal meeting. However, if the more formal approach is preferred by the Big Three, our further preference would be for preliminary meetings of the Foreign Ministers rather than of the Council of Foreign Ministers, since that Council has unfortunate connotations for Germany.

9. A factor which might have an important bearing on a possible four-power meeting — and its results — is the struggle for power which seems to be going on inside Soviet Russia at the present time. It would not be very helpful to meet Malenkov "face to face" as Sir Winston Churchill desires and then find that he had lost face — in more even than a political sense! This aspect of the situation will undoubtedly be considered by the Americans as another reason counselling delay. Ends.

487. DEA/50115-J-40

Le représentant permanent par intérim auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Acting Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 564 Paris, July 8, 1953

SECRET. IMPORTANT.

MEETING OF BIG THREE FOREIGN MINISTERS IN NEW YORK PREPARATORY TO THE BERMUDA MEETING

Reference: Our letter No. 2068 of June 25.†
Repeat London No. 78.

In the Council meeting on July 8, the United States representative reminded other delegations that in his statement of June 24 (transmitted in our letter under reference), he had invited them to put forward suggestions regarding the discussions at the Bermuda Meeting. He now wished to extend the same invitation in connection with the meeting of the Foreign Ministers of the United States, United Kingdom and France, which was to take place in Washington during the four or five days beginning July 10. He was supported in his invitation by the United Kingdom and France.

2. The Italian representative then stated that his government had already made a proposal to the Big Three through diplomatic channels. They had suggested that the three Foreign Ministers might consider and in their final communiqué give some sort of sponsorship to a proposal that, in advance of the German elections, there should be a meeting of the Foreign Ministers of NATO and (to provide for German participation) the Foreign Ministers of the coal and steel community. The precise purpose of this meeting of Foreign Ministers was by no means clear from the Italian statement but in general it was designed to give evidence of the solidarity of the Atlantic Community including Germany.

3. The United States representative said that his government had undertaken to bring forward at the meeting of the three Foreign Ministers any proposal put forward by any other member of the Council. Hence, the Italian proposal would be put forward. However, apart from this formal undertaking, the Italian initiative received no word of support.

4. The United States and the United Kingdom both urged that the Italian proposal should be treated with the utmost secrecy. A suggestion that copies of the statement by the Italian representative might be circulated was opposed and withdrawn. It was generally agreed that since the proposal had only been put forward by the Italian Government through diplomatic channels the previous day, any discussion would be premature; nevertheless the Belgian representative wondered how a meeting of Foreign Ministers of three countries could propose or sponsor a meeting involving twelve other countries.

5. It was further agreed that time would not permit the matter to be pursued further in the Council. Accordingly, individual governments who wished to comment to the Big Three on the Italian proposal were invited to do so through normal diplomatic channels.

488. DEA/11815-40

Le secrétaire d'État aux Affaires extérieures à l'ambassade aux États-Unis

Secretary of State for External Affairs to Embassy in United States

TELEGRAM EX-1240 Ottawa, July 11, 1953

SECRET

MEETING OF FOREIGN MINISTERS

Reference: Telegram No. 564 of July 8 from the Permanent Rep. to the North Atlantic Council.

Repeat London No. 1175; Rome No. 98; Bonn No. 152; Paris Embassy No. 405; CANAC No. 581.

The telegram under reference, a copy of which was referred to you, outlines an Italian proposal that the big three foreign ministers might consider and in their final communiqué give some sort of sponsorship to a proposal that, in advance of the German elections, there should be a meeting of the foreign ministers of NATO and (to provide for German participation) the foreign ministers of the Coal and Steel Community. The Italian Ambassador repeated this proposal to me verbally on July 10.

2. I have replied that the Canadian Government does not repeat not consider that it would be useful to press for the conference proposed by the Italians as the Council is in continuous session and an early opportunity will arise for discussion along the lines proposed. The Council itself could consider the desirability of German participation.

3. Although I have not supported the Italian proposal I have said that it might be desirable for the final communiqué of the Washington meetings to state that there will be consultation, regarding the conclusion of the conference, with the Governments of other NATO countries and Germany.

489. DEA/11815-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1249 Ottawa, July 13, 1953

SECRET

MEETING OF FOREIGN MINISTERS

Reference: Our Telegram No. 1240 — of July 11, 1953.
Repeat London No. 1187; Canadian Embassy, Paris No. 408; CANAC No. 584.

You will recall that in paragraph 3 of my telegram under reference, I informed you that we had expressed to the Italian Ambassador the view that it might be desirable for the final communiqué of the Washington meetings to state that there will be consultation, regarding the conclusions of the meetings, with the Governments of other NATO countries and Germany. The Italian Ambassador has now been asked by his Government to request that this view should be made known to the Foreign Ministers.

2. It will be appreciated if you will inform the State Department of our view on this matter.

490. DEA/11815-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1701 Washington, July 14, 1953

SECRET

MEETING OF FOREIGN MINISTERS

Reference: EX-1240 of July 11th, and EX-1249 of July 13th.

Your suggestion, that it might be desirable for the final communiqué of the Foreign Ministers to say that there will be consultation regarding conclusions of the conference with the governments of other NATO countries and Germany, has been passed on to the conference through the State Department. We gather that the current draft of the final communiqué already contains reference to consultation with Germany in the passages dealing with German problems. We were also assured that it was of course intended that there would be consultation with other NATO Governments on the conclusions of the conference and that consideration would be given to making an appropriate reference to this in the communiqué.

491. DEA/11815-40

Le représentant permanent par intérim auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Acting Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 577 Paris, July 16, 1953

TOP SECRET

INFORMAL COUNCIL MEETING — POLITICAL DISCUSSIONS: MEETING OF THE BIG THREE FOREIGN MINISTERS

Repeat London No. 79. (Copy referred to Bonn by air bag).

The Council went into secret session on July 15 in order to hear a report from the United States representative on the discussions recently completed by the French, United States and United Kingdom Foreign Ministers. Mr. Hughes made an introductory statement, explaining that he was not able to distribute copies, and subsequently read the note of invitation which had been agreed upon and was to be transmitted that day to the Soviet Ambassadors in Paris, Washington and London.

2. Mr. Hughes made it clear that his introductory statement was designed to "inform the North Atlantic Council of the conclusions reached by the Three Foreign Ministers on subjects of direct concern to NATO". Stating that a considerable portion of their time had been devoted to recent Soviet policy and the implications of the Beria purge, he mentioned the following points on which one or more of the foreign ministers had expressed a view:

(1) The Beria incident might herald a tougher Soviet line either internally or externally or perhaps both.

(2) It would, however, be dangerous to rely too heavily on this possibility, even though there was historical precedent for it, as there were already some indications that the "peace offensive" was continuing.

(3) It might be that the peace offensive would continue to be pressed, not so much for foreign policy reasons, as to fit in with other steps being taken under pressure of internal unrest in the Soviet Union itself and also in the satellites, particularly East Germany and Hungary.

(4) There was evidence that the broad lines of policy which have been followed by the West were achieving favourable results and should be pursued; nevertheless, it would be important to retain flexibility in tactics in order to cope with new situations as they might emerge.

(5) It had been agreed that an element in Western policy should be the encouragement of the satellite peoples in their aspirations for freedom from the Soviet yoke, although such encouragement should not be designed to incite revolt.

(6) Due recognition should be given to the strong pressures within Germany for unification, but this must not be permitted to sidetrack the establishment of the European Defence Community.

(7) An invitation would be extended immediately to the Soviet Union to participate in Four-Power consultations relating particularly to the solution of the German problem. These conversations should not be held until after the German elections and both their duration and agenda should be specified in advance and limited in extent. The talks should take place at Foreign Minister level and should be restricted to problems where there was some hope of achieving solutions. In particular, they should be directed toward agreement upon free elections in Germany and the establishment of a free and independent German Government which could subsequently participate in the negotiation of a peace treaty. A lesser agenda item might be a peace treaty for Austria.

(8) This proposal for Four-Power talks, to be held perhaps in late September, was not intended to exclude the possibility of subsequent talks possibly at a different level on various other matters.

3. Elaborating slightly on the foregoing, Mr. Hughes said that the Foreign Ministers had recognized the dangers in proposing Four-Power talks before the establishment of the EDC. They had, however, considered that the plan was worth going ahead with in view of the help that it could be expected to give Chancellor Adenauer in his election campaign and perhaps to the French Government in obtaining ratification of the EDC Treaty. The United States and the United Kingdom stressed their continuing determination to support the plan for the EDC, and indicated that they had no intention of allowing the proposed Four-Power talks to lead to its abandonment.

4. Mr. Hughes briefly mentioned other subjects raised at the meeting. The United States had given an exposé of the Korean situation. The French had given an exposé of developments in Indo-China with particular emphasis placed upon the recent declaration of a more liberal policy concerning Indo-Chinese independence; the United States and United Kingdom Foreign Ministers had welcomed the latter initiative taken by the French Government.

492. DEA/11815-40

Le représentant permanent par intérim auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Acting Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 579 Paris, July 17, 1953

SECRET

MEETING OF BIG THREE FOREIGN MINISTERS AND PROPOSED MEETING OF BIG FOUR

Reference: Our telegram 564 of July 8 and your telegram to Washington EX-1240 of July 11.

External Ottawa please pass to Washington as our No. 10; London No. 80. (Copies referred to Rome and Bonn by airbag).

1. On July 16, we received a visit from the new counsellor in the Italian delegation to NATO, Mr. Belcredi (he was in Ottawa during 1933-34 in their consular service). He wanted to find out informally what the Canadian reactions had been to the Italian proposal for a meeting of the fifteen foreign ministers, including the German (see our telegram under reference).

2. Before replying, we invited [him] to elaborate on the proposal which had been put forward by his ambassador, Mr. Rossi Longhi, in the North Atlantic Council and which we had not fully understood. Mr. Belcredi explained that the political situation in Italy was very delicately balanced, indeed only that day Signor de Gasperi had formed a minority government. It was most important that the big three should not give the impression that they were taking the decisions and that the other smaller countries were being dragged along behind. Hence, the desire of the Italian authorities that the foreign ministers of the big three, whose meeting in the United States was now over, should have made it clear in their final communiqué that they were going to consult with the other countries concerned. The Italian authorities had been fairly well pleased with the final communiqué as it had emerged, with its strong emphasis on NATO as a cornerstone of policy, but they would clearly have preferred some more explicit reference to consultation with the NATO allies, if not with Germany. Looking to the future they hoped that there would in fact be such consultation before the meeting now proposed of the foreign ministers of the United States, the United Kingdom, France and the USSR.

3. We asked how far it was necessary, from the Italian point of view, that such consultations should include Germany. Mr. Belcredi replied that he did not think that the formal inclusion of Germany in the consultations was essential from the Italian point of view. It was the opinion of the Italian authorities that the inclusion of Germany in the consultations would strengthen Dr. Adenauer in the coming elections in the German Federal Republic. However, their attitude on this point, as indeed on others, was flexible.

4. Replying to Mr. Belcredi's original question about the Canadian attitude, we said that we had only received a brief and preliminary report referring to a conversation between the Italian Ambassador in Ottawa and yourself (your telegram under reference). It had been your view that it would have been unwise to press the big three foreign ministers to propose the conference suggested by the Italians. On the other hand, Canada welcomed political discussions in the North Atlantic Council. Subjects to be discussed by the big four (at the meeting now proposed) could well be discussed in advance, as appropriate, in the council, and the council could at the same time consider the matter of consultations with Germany.

5. We made it clear that the discussions which we envisaged as possibly taking place in the council would be at the level of permanent representatives. Mr. Belcredi, on the other hand, felt that from the Italian point of view a special meeting of foreign ministers, or perhaps a meeting of the council at the foreign minister level, with appropriate publicity, would be a good deal more effective in persuading Italian opinion that substantial consultation was taking place amongst the fourteen (or fifteen) countries in advance of the proposed meeting of the big four.

6. Although Mr. Belcredi emphasized the informality of his approach it looks as if the Italians may take some further initiative in the council. We would appreciate further guidance on the issues raised.

493. DEA/11815-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent par intérim auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Acting Permanent Representative to North Atlantic Council

TELEGRAM 595 Ottawa, July 23, 1953

SECRET

ITALIAN PROPOSAL

Reference: Your telegram No. 579 of July 17.
Repeat Washington No. EX-1303; London No. 1244.

We appreciate the desire of the Italians, and indeed of other members of the Council, that the Big Three should not make decisions on matters of common concern without consulting their friends; and even though our channels of consultation with the big powers are better than those of some other countries, we too are most anxious that the habit of political discussion in the Council should be developed.

2. But the chances of a four-power meeting achieving any success would be prejudiced if it were made apparent to the Russians in advance that they were to be presented with the firm views of all NATO countries. For that reason we would not be inclined to favour a special meeting of foreign ministers, or a Council meeting at foreign minister level. A normal Council meeting of permanent representatives would permit an adequate exchange of views, but would not give the impression

that the NATO countries were drafting an ultimatum to be presented on their behalf by the big three to the Russians.

3. Another argument against a Council meeting at foreign minister level would be the difficulty of announcing substantial achievements or decisions to justify the publicity such a meeting would attract.

4. It is hoped these rather general ideas may be helpful if the Italians again take the initiative in this matter.

494. DEA/50328-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 614 Paris, August 13, 1953

SECRET

POLITICAL DISCUSSIONS IN THE COUNCIL — SOVIET REPLY TO PROPOSALS FOR FOUR-POWER TALKS

The Italian delegation here have enquired:

(a) As to our views on the Soviet note;

(b) Whether we would favour an exchange of views at an informal Council Meeting on the interpretation of that note; such an exchange of views, they feel, might make it easier, later on, for the smaller NATO countries to make suggestions as to the answer which might be returned.

2. As we have always been in favour of council discussions on such subjects, and as we have supported the Italians in their efforts to bring NATO as much as possible into the results flowing from the three-power meeting in Washington, we feel that we might answer that we would agree to an informal discussion along the lines they suggest.

3. *Action required*: We should appreciate receiving your views on: (a) The desirability of an exchange of views on the interpretation to be given to the Soviet note and later on, on the answer to be returned; (b) the Canadian reactions to the Soviet note.

495. DEA/50328-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM 639 Ottawa, August 19, 1953

SECRET

COUNCIL DISCUSSION OF SOVIET NOTE OF AUGUST 4

Reference: Our telegram No. 630 of August 18.†

Following from the Acting Under-Secretary, Begins: It is assumed here that the receipt of the new Soviet Note of August 16, and the lack of time for Governments to reach firm conclusions on it and convey them to their representatives in Paris, will mean that Friday's informal discussion will be of a tentative and exploratory nature.

2. It has occurred to us, however, that the presence in Paris of the Big Three experts engaged in drafting a reply to the Soviet Government might provide an opportunity for the Council to obtain up-to-the-minute information on the progress of their work. You may wish to consider the desirability of asking the United Kingdom and possibly the United States and French delegations whether they will be in a position to report to the Council on the experts' deliberations, or whether they would welcome an invitation from the Council to the experts themselves to meet with the Council members. If it appeared appropriate, you might also wish to discuss this suggestion with Lord Ismay.

3. We are in general agreement with the Foreign Office views on a reply to the Soviet Note of August 4, see Canada House telegram No. 1427 of August 15,† repeated to you with my telegram under reference.

4. A subsequent telegram from London, which has not been repeated to you, states that the initial Foreign Office view is that the new Soviet Note need not be replied to in detail, and that the Foreign Office draft reply to the first Soviet Note need not be substantially changed as a result of the receipt of the second one. We also agree with this conclusion. In our opinion, the Western reply might deal with the second Soviet Note at this stage by stating that it had been noted with interest as an indication of the type of proposal which the Soviet representative might wish to advance at the forthcoming Big Four Conference.

5. We have been pleased to note that neither the State Department nor the Foreign Office appears likely to take an absolutely unyielding position on the question of broadening the agenda for a Big Four Conference, although they will seek to keep the discussion of inappropriate subjects to a minimum. We would hope that the Big Three would similarly refrain from insisting dogmatically on the previously proposed timetable of precise stages for dealing with the German problem. It is clear from the latest Soviet Note that the Soviet side will raise questions of substance in

connection with the peace treaty from the start of discussions, and that they can and will make effective propaganda capital of any rigid Western insistence on dealing initially with procedural questions only. We realize, of course, the desirability of taking first things first and the dangers of giving the Russians free rein. At the same time we consider it only realistic to accept the fact that the Russians cannot be prevented from advancing proposals of the kind contained in their second Note; some thought might be given to the possibility of denying them the opportunity of capitalizing on what may appear to be Western attempts to prevent the introduction of questions of substance.

496. DEA/50328-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 629 Paris, August 21, 1953

SECRET

INFORMAL COUNCIL MEETING ON AUGUST 19; DISCUSSIONS ON SOVIET NOTES ON GERMANY

Reference: Your telegram No. 644 of August 20.†

1. Mr. Alphand, the French permanent representative, on behalf of the Big Three, read an agreed statement on the Soviet notes of August 4 and 15 and on the principles which it was intended to follow in drafting a reply.

2. The Soviet notes in question, both long and controversial documents, were not clear, but the three governments had now reached tentative conclusions as to their significance.

3. The note of August 4 dealt with a series of international problems rather than answered the specific July 15th proposal for a conference on Germany: it contained all the known clichés in Soviet propaganda and reiterated the known charges of "dictation" and "ganging-up". The reference to military bases on the territory of other states was perhaps its most unacceptable feature as it constituted a direct attack upon NATO. The approach suggested that the USSR were contemplating a return to the abortive technique followed during the Palais Rose discussions: they were prepared to trade the reunification of Germany against the dismantling of the Atlantic Alliance. The reference to Communist China, was also a clear attempt at dividing the alliance. On the whole the note was essentially a Communist propaganda device. The concluding paragraph, for instance, if read apart from the rest could be presented as an acceptance without conditions of the allied proposal for a four power meeting. The key words, "having regard to the foregoing", could however be referred to, if later on, it became desirable to prove that Soviet acceptance had been qualified. The implied Soviet contention that a settlement of the Austrian

problem was linked to the negotiations on Germany was also considered to be significant and discouraging.

4. While the first note dealt with general problems, the second one was limited to the German issue. The latter in particular was attempting to influence Germany and more particularly Eastern Germany; and the former to weaken the Western powers by wrecking the prospects of the EDC and by provoking the dismemberment of the NATO alliance. It was obvious that Soviet leaders were trying to bolster the unstable regime in Eastern Germany and to influence elections in Western Germany by suggesting that the adhesion of Adenauer to the EDC would result in the division of Germany for an indefinite period. It was clear from the note that they were not trying to work out a solution to the German problem and that they were not desirous of attending at this time a conference on Germany. Their main theme was the return to Potsdam which was not mentioned less than six times in the note: the paragraph relating to the proposed provisional government did not refer to the controls which would be exercised by the Big Four.

5. In summary, while the second note was addressed primarily to German opinion, the first one was aimed at non-German opinion and, both represented an all-out propaganda effort to divide the west and to increase hesitations as regards the EDC. It was proposed to send only one reply to these two notes and the agreed purpose was to make it possible to have a four-power conference on Germany on a practical basis. The reply would make it clear that the principles underlying the Soviet notes could not be accepted and that, if no meeting could take place, the responsibility must rest with the USSR. The exact terms of the reply had not been agreed to: any comments which might be made by permanent representatives would be considered by the three governments.

6. The discussion which followed Mr. Alphand's statement disclosed wide agreement among the permanent representatives. They expressed the appreciation of their governments for the opportunity which was given to them to comment on the Soviet notes and on the broad terms of the reply. All agreed that one reply should be sent to the two Soviet notes, that it should be in short and simple terms, that we should not attempt to refute in detail Soviet propaganda points. The general view also was that Germany should be item No. 1 on the agenda but that the possibility of discussing other subjects should not be excluded (apparently, the Big Three had not yet reached agreement on this point, according to Mr. Alphand, who replied to a direct query from the Netherlands representative.)

7. In the course of my remarks, I made the point in particular that the three power reply should not exclude the possibility of discussing in addition to Germany, other questions which might affect international tension. I suggested that it might be left to the foreign ministers themselves to broaden the agenda if it appeared that some progress was to be made. A number of permanent representatives agreed that it was most important not to give the impression that the West was not prepared to discuss broader subjects than Germany at the proposed conference.

8. The Belgian representative drew attention to a number of contradictions in the Soviet notes and suggested that they should be interpreted as a confirmation of the logic of our position. The Netherlands representative reported that, in the view of

his government, while Germany should be the first item on the agenda of a four power meeting, the Korean question would be discussed simultaneously in the political conference and, if some success was achieved, the opportunity would have been created for wider exchange of views. The Danish representative argued that there was a widespread feeling in NATO countries that a meeting should be held and that quite apart from its possible results, the decision to hold a conference would be politically important.

9. The Turkish representative referred to the related subject of the recent Soviet notes on the straits: they represented in the view of his government a revival of old Russian claims to security against threats from the straits and were connected with demands for the organization of their defence on a bilateral basis. There were indications, in the Soviet notes, e.g. the reference to bases on foreign territory that the Soviets might raise the question at a conference of foreign ministers. The Turkish view was that such pressure on Turkey fitted into a general policy aiming at the disruption of Atlantic unity: the Turkish Government believed that any problem relating to the straits must be dealt with on a multilateral basis, within the framework of the Montreux Convention. On the general issue, the Turkish Government felt that the allied answer should be firm without being provocative and that NATO unity should be maintained. No concessions should be made through separate negotiations. There was certainly no concrete evidence in the notes that the USSR had any genuine desire of settling outstanding issues.

10. It was agreed that at the informal meeting which is scheduled for Wednesday, August 26, next at 4 pm, discussion might be resumed on the subject, if any permanent representative had further views to express. At that meeting the representatives of the Big Three may be in a position to pass on information as to the progress made in drafting the reply to the Soviet notes.

11. It is significant that there was no discussion whether the reply should be returned before the German election. I did not feel that it would be appropriate to make the suggestion in paragraph 2 of your telegram 639 of August 19 that the Big Three experts engaged in drafting the reply might meet with the Council to discuss the progress of their work as it seemed to me that this would be inconsistent with the special responsibilities of the Big Three for drafting this reply.

12. *Action required*: I should be glad to learn whether you feel that we should make any further comments at the meeting on Wednesday, August 26th.[15]

---

[15] Aucune réponse n'apparaît au dossier avant la réunion du 26 août.
There was no response on file before the August 26 meeting.

497. DEA/50328-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 640 Paris, August 27, 1953

SECRET

INFORMAL COUNCIL MEETING ON AUGUST 26: DISCUSSION ON THREE POWER REPLY TO THE SOVIET NOTES ON GERMANY

Reference: Our telegram No. 629 of August 21, 1953.

1. The United States Permanent Representative reported that the Tripartite Working Group had reached agreement on the draft reply. He added that the three governments had taken into consideration the views expressed by the Permanent Representatives of other NATO countries at the meeting on August 19. The draft had been referred to the three capitals for approval. It was thought that the other NATO countries would be pleased with it generally. The French representative added that the draft reply, which had been agreed, was to be short. There would be no attempt to discuss in detail Soviet propaganda points but the basis of the Soviet notes would be rejected. The draft reply envisaged a Four-Power conference at a fixed date and place. The suggestion was that the Four-Power conference might deal first with Germany but there were no preconditions; while it was naturally expected that there would be a discussion of the question of free elections, other problems such as a peace treaty and German unity were not excluded. The door had not been closed to the examination of other problems. It would be apparent he thought from the foregoing that the three governments had borne in mind the points made in the course of the discussion in the Council on August 19. The United Kingdom representative said that no agreement had been reached yet as to when the note might be presented. He thought, however, that there might be time to communicate the text when it became available to the Council.

2. The Norwegian representative had not received instructions before the meeting on August 19. He was now in a position to indicate that in the views of his government, it was very important that a Four-Power conference should be held. For this reason, the reply to be returned by the Big Three should make it very clear that they were taking a positive attitude in this regard. For this reason also, the Norwegian Government felt that the formula to be adopted in the reply should be as flexible as possible. It was thought in particular that no strict terms or conditions should be given in the reply so as to make it clear to German opinion as well as to the people in the NATO countries that if no conference could be held, the responsibility would rest with the USSR. The Norwegian Government had no definite views as to the timing of the reply; there were advantages both ways, but it was felt it might be preferable to wait until the elections had been held in Germany as then the situation would be clarified.

3. The Italian representative suggested on instructions from his government, that the proposed Four-Power conference might consider the requirements of Soviet security: it was thought that it might be possible to suggest to the Russians in the course of the conference that the integration of Germany into a European community could be reconciled with Soviet security.

4. The United States representative then made a short statement outlining the United States views on the USSR — East Germany agreement announced on August 22. The Soviet Government were trying to recover the initiative they had lost in Germany as a result of the June 17 events, the United States food programme and the tripartite note. In the view of the United States Government, the Soviet reply of August 15 and the agreement of August 22 were indications of the dilemma facing the USSR. They were expressions of the Soviet policy of trying to "ride two horses at the same time"; the reunification of Germany and the rehabilitation of the Soviet regime in Eastern Germany. Both the note of August 15 and the August 22 agreement sought to influence elections in Western Germany. It seemed, therefore, to the United States Government that it was more necessary than ever to reply to the Soviet notes of August 4 and 15 in such a manner as to show that the USSR were not prepared to negotiate over Germany. Mr. Alphand, the French representative, supplemented the United States statement on the basis of reports received from François-Poncet. The Soviet leaders were maintaining in their note of August 15 a thesis which they knew to be wholly unacceptable to the West. It was possible to deduce that the USSR were not interested in a Four-Power meeting and were really more concerned with the continuation of the present division of Germany. The agreement of August 22 had been received coldly and suspiciously by public opinion as a whole in the Western Zone. The concessions made by the USSR were less important than they appeared. They involved rights which had already been conceded to the Eastern German Government and there were many ways of recouping what they had yielded in appearance only. Adenauer had not been affected by the announcement of this agreement. In the course of an electoral meeting, he had stated that if Malenkov was worried over the revival of German militarism, he should congratulate himself on the establishment of the European Defence Community which was aimed at limiting the military potential of Germany.

5. The United Kingdom representative took issue with the point made by the United States representative that the USSR had lost the initiative in Germany since the June 17 events. In his view the Soviets had been losing ground in Germany since the air lift and more particularly since the establishment of NATO.

6. The Italian representative concluded the discussion on these matters by indicating that in the view of his government the agreement of August 22 was basically directed against the unification of Germany and provided another proof that the USSR did not intend to have a Four-Power conference.

498. DEA/50328-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 651 Paris, September 1, 1953

SECRET

INFORMAL COUNCIL MEETING ON SEPTEMBER 1: DISCUSSION OF THREE POWER REPLY TO THE SOVIET NOTES ON GERMANY

Reference: Our telegram No. 640 of August 26.

At a special Council Meeting held at 5 PM on September 1, the Permanent Representatives of the Big Three circulated the agreed text of the reply to the Soviet Notes, making the point that this was being done in accordance with a now established procedure and emphasizing the importance of taking every precaution against premature leaks. The Note was to be delivered on September 2 and released shortly after midnight on September 2/3.

2. In reply to a query from the Belgian representative, the French representative agreed that the last part of paragraph 5 constituted a definite and limited agenda but that if these problems could be solved or reasonable progress made towards a solution, broader issues could then be considered. This, it was recalled, is in accordance with a suggestion made by Mr. Wilgress at the meeting on August 19 (paragraph 7 of our telegram No. 629 of August 21).

3. In conclusion, the Permanent Representatives of the Big Three drew attention to the fact that in its brevity and positive character, in its suggestion for a meeting at a definite time and place and in other respects, the text of the reply conformed to suggestions made in the course of the Council discussions on August 19.

499. **DEA/50328-40**

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2332 Washington, October 14, 1953

SECRET

FOREIGN MINISTERS MEETING OF THE THREE POWERS IN LONDON

In conversations with Douglas MacArthur,[16] who is accompanying Mr. Dulles to the London meetings, as well as with a number of other State Department officials, we have obtained some information on the background of the conference and some indication of the attitude which Mr. Dulles may be expected to take on some of the problems to be discussed. Apparently the idea of having a meeting of the three Foreign Ministers after Mr. Eden had returned to the Foreign Office had been under consideration since September. Originally the thought had been to have the three Foreign Ministers meet in Washington when Mr. Eden and Mr. Bidault were in the United States in connection with the opening of the United Nations General Assembly meeting. However, for various reasons Messrs. Bidault and Eden were unable to attend the General Assembly opening. The actual proposal to meet in London was only received in the State Department from Mr. Eden last Friday after Mr. Dulles had left for a weekend trip to his retreat on Duck Island. Thus, the acceptance of Mr. Eden's invitation was not sent from Washington until last Monday.

2. The meetings are to provide the three Foreign Ministers an opportunity to exchange views on a wide variety of international issues in which the three governments have a particularly direct concern. No important decisions are expected to be taken. Indeed, there has been no time to exchange views on the agenda. However, the obvious outstanding issues in Europe and the Far East are bound to come up and the State Department gave us some indication in confidence of the approach which Mr. Dulles might be expected to adopt in the discussions.

3. Mr. Eden is surely expected to raise the question of a top-level meeting with the Russians, to which Sir Winston referred again in his Margate speech. Apparently no new proposals have been received from the British Government on this question. We were given to understand, however, that the United States Government has not altered its rather cautious attitude to this type of meeting. They think that this procedure is inadvisable, unless through careful advance preparations there was clear evidence that the Soviet Government was in a position to make some specific agreement. Such advance preparation would presumably involve meetings of the Foreign Ministers at which real progress had been made. Two main considerations seem to dominate State Department thinking. Past experience with the Soviet

---

[16] Douglas MacArthur II, conseiller, Département d'État des États-Unis, (mars-).
Douglas MacArthur II, Counsellor, Department of State of United States, (Mar.-).

Government has shown that unless agreements are spelt out in the most unambiguous terms, the Soviet Government may be relied upon to exploit any ambiguities in its favour. Therefore, the State Department wish to avoid any hastily drafted statements or agreements affecting relations with the Soviet Union. The type of meeting that Sir Winston has emphasized — without an agenda and advisors — could only lead, in the opinion here, to some kind of general statement which would either be meaningless, or dangerous because it might give rise to misinterpretations and misunderstandings. Thus, in short, while the State Department does not rule out entirely the possibility of such a meeting taking place, it would, in their view, have to be preceded by most careful diplomatic preparation.

4. The three Foreign Ministers are expected to agree on the text of a reply to the Soviet note of September 28 on Germany and world tensions. The drafters in London have apparently found no difficulties in reaching substantial agreement, but the Ministers will no doubt add the finishing touches.

5. While the State Department hope that the question of the ratification of the EDC will not come up for discussion because of the sensitivities of the French (further exacerbated by Sir Winston's references to the French attitude on the question at Margate) but the EDC will naturally be expected to loom large in the discussion of the security of Western Europe. The hope here is that there will be general agreement with the United States view that the opportunity created by Chancellor Adenauer's victory should not be lost to accelerate the development of a rapprochement between Germany and the Western Powers generally, and France in particular. As we have previously reported, the State Department is rather optimistic that the French Government will try to get the ratification of the agreement this year, provided that some progress is made towards the settlement of the Saar issue.

6. The question of further guarantees or assurances to the USSR is also expected to be considered in the context of the discussion of Western European security. The State Department have not progressed very far in defining their attitude on this question. However, they do not favour any new treaty standing by itself. They believe that any new assurances of non-aggression to the USSR would only make sense in the context of a general European settlement and after the ratification of the EDC. This is on the assumption that the Soviet Government intends to hold on to Eastern Germany at all costs and that any new assurances would be of value mainly from the point of view of their psychological impact in Europe. We also gather there is no enthusiasm here for a demilitarized zone in Eastern Germany. In State Department opinion, such a proposal is full of pitfalls, such as the question of the delineation of the boundaries of Germany. In any case, they would not be prepared to negotiate for a demilitarized zone in Europe until after the EDC had been established, since it might be seized upon by the opponents of the EDC as an alternative measure to provide for European security.

7. The question of a German settlement is also expected to be discussed. The United States approach, we gather, has not changed in substance; the objective still is to establish an all-German Government by free elections which would participate in the working out of any settlement of Germany. The State Department do not exclude the possibility that the Soviet Government might agree to a Four-Power

conference and that is certainly the immediate aim in the exchange of diplomatic notes now proceeding. However, the State Department are not sanguine that such a Four-Power conference would be able to go much beyond an exchange of general statements and the reiteration of respective Soviet and Western positions.

8. The violent reactions of Tito to the United Kingdom-United States announcement on Trieste will also be discussed. Since neither Italy nor Yugoslavia seemed to be able or willing to agree to any solution voluntarily, it was decided to confront both sides with a "Solomon's judgement". However, it was apparently hoped here that Tito might limit his reactions to the occupation of zone B and would not challenge Italian occupation of zone A. Consideration of some new assurances to Yugoslavia against Italian further expansion is expected by the three Foreign Ministers.

8. There will also be some discussions on Korea and Indo-China.

9. The meetings will last two days. In addition to MacArthur, Mr. Dulles will be accompanied by Robert Bowie, Director of the Policy Planning Staff; Ridgeway Knight, Deputy Director of Western European Affairs; and Roderic O'Connor, Special Assistant to Dulles. The Secretary of State is expected back in Washington by Monday morning.

500. DEA/50328-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1613 Ottawa, October 15, 1953

SECRET. IMPORTANT.

Following for Robertson from the Minister, Begins: I should much appreciate any information which you can let me have regarding the tripartite Dulles, Eden, Bidault meeting in London. We know nothing of the background of this meeting here. In fact we first learned of it over the BBC. Nor have we been told anything so far in Washington about the background or agenda of the meeting.

2. When you saw Eden on Tuesday did he give you any information on this subject. Although press reports indicate that the meeting had been planned some time in advance, we are inclined to think that this might be cover for a more hasty decision to arrange a meeting arising out of the aggravation of the Trieste situation.

3. The Canadian newspapers today are full of a story originating with Drew Middleton of the *New York Times* to the effect that "Canada, the United States and Britain, three non-Continental powers, should guarantee Europe against aggression by any party signatory to EDC or member of NATO". We are denying that any such proposal has been put to the Canadian Government.

4. You will recall that in the United Kingdom memorandum on "Security arrangements with the Soviet Union" (contained in your telegram 1624 of September

25†), one of the alternatives advanced is along these lines. This was described in your telegram 1623 of September 25† as "a Foreign Office memorandum" and we have no indication that it has received Ministerial approval in the United Kingdom or that any one of the alternatives mentioned therein has been adopted by the United Kingdom Government. Meanwhile the document has been studied in the Department at the official level and we hoped to let the United Kingdom authorities have our tentative and preliminary views in the near future.

5. I must say that I am somewhat disconcerted at the complete lack of prior information either from United Kingdom or United States sources about the purpose or agenda of the present tripartite meeting; especially in view of reports that Canada might be involved in the discussions. I assume that no such discussions of Canadian participation in any guarantee will take place without reference to us. Ends.

501. DEA/50328-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1723 London, October 16, 1953

SECRET. IMMEDIATE.

Reference: Your telegram No. 1613 of October 15.

Following for the Minister from Robertson, Begins: When I saw Selwyn Lloyd on Saturday last, he did inadvertently say something about "if or when Eden sees Dulles". He was obviously embarrassed by saying something he hadn't intended to say, started to explain, and then said that this was a subject on which he was not authorized to say anything to anybody. I said that in the circumstances I wouldn't pursue the question.

2. I did not see Eden on Tuesday as arranged in my interview with Lloyd, because in the meantime the Chinese reply had been received and the United States answer despatched, and the urgency of considering the alternative approach was obviously lessened. I think if I had seen Eden he probably would have told me a little more about his plans than Selwyn Lloyd felt authorized to do.

3. At a high but unelected level I am given to understand that the immediate occupation for the meeting is the return of Churchill and Eden to London and the need to follow it up with a visible initiative which will fill the gap between the Margate Conference and the coming Holborn bye-election. A good deal is expected by public opinion here of the return of the Prime Minister and the Foreign Minister to their posts, and the tripartite review of the situation in London seemed to the Foreign Secretary and his advisers a useful first step in meeting the requirements of this situation. Another reason why they wanted to have talks in London is that meeting here will permit the Prime Minister to put his oar in, if he wishes to, without necessarily waiting for the arrangement of meetings at the highest level. The

general impression I got from Frank Roberts,[17] who is sitting in with Eden in the talks, is that though the range of discussions will probably cover all the topics listed in our telegram No. 1708,† most of them are likely to be dealt with fairly lightly. The United Kingdom do attach a good deal of importance to getting their position vis-à-vis the United States really straightened out at this time on Egypt and if possible on Persia. As a result of Adenauer's comments, which have been reported separately, the reply to the Russian Note, which had been tentatively agreed between the three Western powers, will undoubtedly receive more consideration than the Foreign Office expected when they gave us the list of topics which they anticipated would be brought up during the discussions. I have no reason to disbelieve the official disclaimer that developments in Trieste were not the real reason for calling a meeting at this time. Hancock[18] of the Foreign Office has told us that there is no truth in Middleton's story so far as the Foreign Office is concerned. The Foreign Office memorandum, to which you referred in paragraph 4, received Ministerial approval, but was purposely left in the form of alternative methods of offering guarantees in order that the alternatives might be considered at the tripartite meetings of experts. None of the alternatives mentioned in the memorandum have been adopted by the United Kingdom Government, and Hancock went so far today as to say that he rather doubted whether the United Kingdom Government would come down in favour of any particular alternative in the near future. We assumed from this remark that the Foreign Office for the moment regards this particular memorandum as a paper exercise which could not be taken much further without having some indication of Soviet thinking. As any detailed examination of this question by the Foreign Ministers would anticipate exhaustive consideration by the tripartite meeting experts, Hancock did not expect anything more than general discussion, if any, at the current meeting. Ends.

502. DEA/50328-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1726 London, October 17, 1953

SECRET. IMMEDIATE.

TRIPARTITE MEETING OF FOREIGN MINISTERS

On the first day of the meeting the following subjects were discussed. Western reply to Soviet Note; European Security; Israel-Jordan frontier incident; Trieste; date of next NATO Ministerial meeting. At today's meeting discussions have taken

---

[17] Sous-secrétaire d'État, Foreign Office du Royaume-Uni.
Deputy Under-Secretary of State, Foreign Office of United Kingdom.
[18] Patrick Francis Hancock.

or will take place on the Western reply to the Soviet Note; Trieste; Far Eastern questions; and, if necessary, the Israel-Jordan frontier incident. Other issues originally intended for discussion, including Anglo-Egyptian defence negotiations, Persia and Anglo-Saudi Arabian dispute over Buraimi Oasis, are not known to have been discussed yesterday, but will no doubt be fitted in where possible, probably on a bilateral basis between Messrs. Dulles and Eden.

2. My immediately following telegram deals with the Western reply to the Soviet Note.† Reports on other items listed above will follow as soon as possible. In addition you will no doubt be receiving considerable material from CRO.

503. DEA/50328-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 795 Paris, November 9, 1953

SECRET

SOVIET NOTE

Reference: London telegrams Nos. 1834 and 1837 (repeated to us as Nos. 147 and 148) of November 6.†

It is now very likely that there will be a Council discussion of the Soviet note and of the various related problems. We are not yet sure whether this discussion will take place at the regular Council meeting on November 18 or in the course of the informal luncheon session which has been arranged by Lord Ismay for the same day.

2. It seems to us that, in the future, there would be advantages, as suggested by MacArthur, if the Council and Germany could be consulted by the Big Three earlier than hitherto in the proceedings.

3. In this regard, we should welcome your views on the appreciation of the Soviet note and the reply to be returned. For my part, I agree with the Foreign Office view that the reply should be brief but that it should not close the door nor give the impression that the West is relieved that the USSR have turned down their suggestion for a four-power conference and that the offer had merely been a formal effort to appease certain elements in the West before proceeding with the ratification of the EDC.

4. A more important problem arises as to future policy for NATO. Both the State Department and the Foreign Office, apparently, envisage some kind of statement or resolution by the NATO Council. I should appreciate receiving your comments as to the timing and the nature of such a statement.

5. My own opinion is that the next ministerial meeting might provide a good opportunity to review NATO policy and to issue a statement on the policy of the

member countries as regards their defence arrangements and their desire to reduce east-west tension through negotiations, whenever the USSR give any reason to believe that they are not demanding impossible conditions and are prepared to accept a procedure which involves reasonable hope of success.

6. I am somewhat disturbed by MacArthur's "back seat" approach to the problem of European security. The United States are, whether they like it or not, the leaders of the alliance, and the prospects that it will be continued and the EDC ratified are directly related to the United States determination to remain in the front seat and to accept the necessary responsibilities. If European security is to be organized within the Atlantic framework, e.g. on the basis of the alliance with the United States, the United States must, as a matter of urgency, consider what steps may be required to enable France and Italy, particularly, to meet the latest and perhaps the most formidable Soviet challenge so far. Atlantic Council resolution will not replace sober discussions on the necessary United States contribution if the requirements of European security are to be met.

7. *Action required*: I should appreciate receiving, before November 18, if at all possible, your comments on the above points and your suggestions as to the line I might take when these various problems come up for discussion.

504. DEA/50328-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 806 Paris, November 12, 1953

SECRET

INFORMAL AND RESTRICTED COUNCIL MEETING ON NOVEMBER 12: TRIPARTITE REPLY TO THE LATEST SOVIET NOTE

Reference: Our telegram No. 795 of November 9.
Repeat London No. 112.

At the suggestion of the United States representative, a short but interesting meeting of the Council was held on Thursday, November 12, at 11.

2. The United States representative made a survey of the seven communications exchanged with the USSR since July 15 last summarizing the main points of each tripartite and Soviet document.

3. The United Kingdom representative then outlined the latest Soviet note of November 4. He recalled that on three occasions the western powers had proposed a conference to consider the German and the Austrian questions. Each time, the USSR had replied at greater length, arguing that the basic causes of international tension required prior consideration and that China had to be present even if she was not to take part in the discussion on Germany and Austria. The western powers

could not agree that any progress could be made unless specific issues were discussed and, above all, they wanted to avoid a repetition of the Palais Rose precedent where agreement could not be reached on the agenda.

4. The Soviet note of November 4 was longer than ever and while it maintained the same line of argument as the previous ones, the demands and pre-conditions were more explicit.

5. The note pointed out that there had been no reply to the Soviet note of August 28 on Austria. The Big Three were considering this point. They would have preferred to deal with the Austrian question at a conference.

6. On Far Eastern problems, the USSR were suggesting Chinese participation in the proposed conference, the seating of China at the United Nations; the Big Three were of the opinion that there would be no point in attempting to reach agreement on other issues before a settlement was agreed as regards Korea.

7. The Soviet note demanded the dismantling of NATO and the elimination of western bases in Europe. It also required that all progress on the EDC should cease before there could be a conference. This was wholly unacceptable.

8. The Big Three had maintained all along that the correct procedure concerning Germany was to organize free elections and then to set up an all-German government which would negotiate the peace treaty; the Soviet proposed a provisional government which would be an amalgam of the Bonn and of the Pankow regimes: the peace treaty would be negotiated forthwith with this government rather than with one which had been freely elected. It was clear from the Soviet note that the Soviet Government were unwilling to negotiate.

9. The USSR was certainly concerned as to security but the western powers had also to take into account their own security requirements and they could not agree that a defenceless Europe should be the price for a conference with the USSR. Under the circumstances, they had reached the conclusion that no useful progress could be made by further exchanges of notes.

10. M. Alphand, the French permanent representative, then proceeded to go over the main points which should be covered by the tripartite reply. He suggested that the USSR were unwilling to negotiate because they were engaged in a difficult internal reorganization which could not yet be assessed in all its aspects but such being the case, the main features of the tripartite reply to their latest note were clear enough. It had to be simple and short, it had to indicate that the Soviet offers were not acceptable as a basis for negotiations and it had to leave the door open for further discussions without, however, suggesting a definite date for a conference. The Big Three intended to send their reply very soon probably early next week, but they were prepared to consider any suggestions or comments which might be made by other members of the council.

11. In the short discussion which followed these three statements, it appeared that there was general agreement that: (a) There should be a reply to the Soviet note; (b) it should be short; (c) policy could not be changed as regards NATO and the EDC as the price for a conference, (d) the door should be left open to further discussions.

12. We made the suggestion that as the Soviet note attempted to demonstrate that international tension was due to NATO rearmament and bases, it might be well, in one or two sentences of the tripartite reply not to leave this point unanswered. The Netherlands representative agreed, on the understanding that the reference to this point should be short. The Portuguese representative thought that it might be pointed out that NATO rearmament had followed not preceded the present tension: the NATO countries had been forced to rearm against the threat represented by Soviet policy. The Norwegian representative supported also my suggestion and invited the Big Three to consider what steps might be taken to counter Soviet propaganda. It was clear that the USSR did not intend to negotiate. Its reply was devised for propaganda purposes chiefly and adequate NATO measures would have, in time, to be concerted. The representatives of the Big Three took note of my suggestion and agreed to bring it to the attention of their respective governments.

13. As an informal meeting is to be held next Wednesday, it was suggested that either at that meeting or on a suitable occasion soon thereafter, it might be useful to have an exchange of views as to what the next steps for NATO might be now that the exchange of notes with the USSR was to be brought to an end and we might be entering a new phase. It was agreed that this would be very desirable particularly in view of the forthcoming Bermuda Conference which would be concerned with these and related problems. The general view was that not only should the Big Three indicate what plans they may now have in mind as regards the future course for NATO, Germany, the EDC, but that the other member countries should also be prepared to give their own views on these problems.

14. *Action required*: In view of the discussions which will take place probably on Wednesday next, November 18, or soon thereafter, on future NATO policy concerning Germany, the EDC, security arrangements and related problems, I should appreciate very much any comments or guidance you could let me have in this connection.

505. DEA/50115-J-40

Le secrétaire d'État aux Affaires extérieures au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs to Permanent Representative to North Atlantic Council

TELEGRAM 838 Ottawa, November 17, 1953

SECRET. IMMEDIATE.

NATO DISCUSSIONS OF SOVIET NOTE

Reference: Your telegram No. 795 of November 9, and No. 806 of November 12 (received Nov. 15).

Following from the Under-Secretary, Begins: Since the Soviet price for negotiation on Germany has now been stated explicitly as the abandonment of NATO bases and the EDC, I think there is some merit in an early Council resolution expressing determination to go ahead with our defence plans. However, it might not, repeat not, be desirable to involve the NATO Council in any direct exchange of verbal hostilities with the Soviet Government. I think, for example that it should not be expected that a NATO Council resolution would henceforth be produced to meet every official Soviet pronouncement criticising NATO. I therefore agree with you that the next ministerial meeting would be an appropriate occasion for the suggested resolution. This would give the Council action a more general nature than that of a direct reply to the Soviet Note. The fact that NATO was specifically taken to task in the last Soviet Note, however, shows the importance of the NATO Council being not only consulted, but consulted at a sufficiently early moment in regard to the reply to be sent, for such suggestions as you have made regarding the contents of the reply to receive the consideration which they deserve. (Consultation of the NATO Council could well be made earlier in a parallel progress with the earlier consultation of the German authorities.)

2. I also agree with your views on the futility of any serious United States attempt to "take a back seat" on these matters, but I do not see that we can make any explicit objections if the United States wants to have this particular resolution fostered by United Kingdom and France.

3. The foregoing relates primarily to the points raised in your telegram No. 795 of November 9. On the broader question mentioned in your telegram No. 806 of November 12, regarding the future course for NATO, Germany and the EDC, it seems to me that the very explicit Soviet Note has to some extent cleared the air. There was never any serious hope that the USSR would meet Western terms on Germany (in effect, surrender of East Germany), without a solid concession in return. Although there was talk of a reciprocal security guarantee of some sort, it was always fairly clear that the minimum Soviet price would be a "neutralized" Germany. That is to say no German participation in EDC. Now that the USSR is explicitly on record as demanding not only this, but also, in effect, the scrapping of NATO, as the price for talks, it should be easier to press ahead with the ratification of the

EDC since there is clearly no likelihood of any early bargain with the USSR. It would seem that Germany will continue divided and that there is very little NATO can do about it, at any rate by peaceful means. The attack on NATO itself in the Soviet Note can perhaps be handled satisfactorily by the proposed resolution at the ministerial meeting.

4. In regard to the EDC, I would also think that, although the air should have been cleared by the definiteness of the Russian stand, there would be a case for entering a caution against a policy of drift, because of its effects on the German attitude. The day will soon come when the Federal Republic will have ratified the Bonn and Paris treaties, and preparations should be made to meet the normal German expectation of progress towards the ends envisaged in the Bonn and Paris treaties. The result of a failure to act cannot but be sourness in the Germans, a loss of momentum for the Western-looking policies to which the Chancellor has shown his dedication and on which he received such resounding support in the September elections, and the inevitable ascendancy of alternative policies in German minds and a search for alternative solutions.

5. There has been no opportunity to discuss this telegram with the Minister. Therefore please speak with reserve on the idea of a Council Resolution about which we do not feel much enthusiasm. Ends.

506. DEA/50328-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 827 Paris, November 18, 1953

SECRET. IMPORTANT.

ATTENDANCE OF LORD ISMAY AT BERMUDA CONFERENCE

Lord Ismay gave a luncheon for the Council today at the conclusion of which there was an informal meeting. The United Kingdom representative made a statement about the Bermuda Conference, stressing the fact there would be no agenda and that the discussion would range over all matters of major concern to the Three Powers. He then said that it had been decided to invite Lord Ismay to attend the conference.

2. Lord Ismay elaborated by stating that he had been invited to arrive on December 6, two days after the conference opened. He wished to receive guidance from the Council as to what his status at the conference should be and what general line he should take. He also wished to know whether he should take an information officer with him. Finally he said that he would like to have another informal meeting next week to go into this matter further.

3. There then ensued a very guarded discussion. The Netherlands representative was the first to state that he did not think it would be right for Lord Ismay to express the views of all fourteen NATO countries at a meeting of the Three Powers. As far as publicity was concerned he said that it would be wise to keep the Bermuda Conference and the NATO Ministerial Meeting quite distinct. There was support for these views from several representatives, including Alphand.

4. When I spoke I said that what had been said indicated the importance of the informal meeting which was to be held next week. I felt that all concerned should give careful consideration to the guidance we wished to give to Lord Ismay. I added that my tentative views were that Lord Ismay might outline at the Bermuda Conference the present state of NATO as revealed by the Annual Review and recent Council discussions, but that he should not express views on the substance of the issues that were being discussed by the Three Powers, indicating that the appropriate place for the views of the NATO countries to be expressed would be at the Ministerial Meeting of the Council. He could report back to the Council his general impressions of the Bermuda Conference, in this way supplementing the reports we will receive from the representatives on the Council of the Three Powers concerned. Finally, I said that he should take along an information officer with him as a protection against the importunities of the press.

5. After the meeting broke up, a number of the representatives expressed concern at the possible implications of having Lord Ismay go to Bermuda as the spokesman of the NATO Council. As a result Starkenborgh suggested an informal meeting tomorrow in his office, at which will be present the representatives of Belgium, Canada, Italy and the Netherlands. I shall send you a telegram on the results of this meeting.

6. It seems to me that the other member countries should have been consulted before the invitation was extended to Lord Ismay by the Three Powers. If he is to attend, I think that, in addition to the points mentioned in paragraph 4, he should stress the importance of consultations within the Council on any problems which may face the alliance. In particular, he should urge that the Three Powers should not make and announce before the ministerial meeting any decisions as regards current issues affecting NATO countries as a whole.

7. As to the presentation to be made of Lord Ismay's attendance at Bermuda, it may be desirable to stress that, while he will not speak on behalf of the other members of NATO, he will report to the Three Powers on the present state of the organization and bring back from Bermuda impressions which should assist in preparing for the ministerial meeting. If it were so presented, Lord Ismay's presence in Bermuda would contribute to lessening the impression that the Three Powers were lining up on the major issues and that the NATO Ministerial Meeting would merely endorse their decisions.

8. The informal meeting of the Council to discuss the guidance to be given to Lord Ismay on the attitude he should adopt at the Bermuda Conference will be held at 4:00 p.m. on Tuesday, November 24.

9. *Action required*:

Your views on this subject are requested before November 24.

507. DEA/50328-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 829 Paris, November 19, 1953

SECRET

NATO DISCUSSIONS OF SOVIET NOTE

Reference: Your telegram No. 838 of November 17.

I agree with the various points made in your telegram under reference.

2. At the informal meeting on November 18 the Council discussed the invitation which had been extended to Lord Ismay to attend the Bermuda Conference and there was no time to examine the future course of NATO policy in view of Soviet unwillingness to attend a four-power conference. I am confident, however, that there will be an early opportunity to exchange views on this most important subject.

3. While I still feel that at the next Ministerial meeting some expression should be given to the view that as a result of Soviet policy the NATO countries have now no alternative but to continue their defence build-up while remaining ready at any time to discuss with the USSR on any basis which offers reasonable hope of progress, I am not sure that this should be done in the form of a separate NATO resolution.

4. On further thought, it seems to me that it might be better to deal with this point in the general communiqué:

(a) A separate declaration on NATO policy would weaken the general communiqué as it would isolate from it one of the most important issues to be discussed at the meeting;

(b) Such a statement might be received with some suspicion: it might possibly give rise to speculation that the NATO countries were not in full agreement, that unanimity on the policy involved had been difficult to reach and that it had been thought necessary to underline this achievement in a special statement. The declaration would therefore be considered to be more significant possibly in relation to NATO countries than vis-à-vis the USSR.

5. If you agree, I propose therefore, when this point comes up for discussion, to take the line that:

(a) NATO determination to go ahead with its defence plans must be reaffirmed at the next Ministerial meeting;

(b) That on the whole it may be more effective to deal with this matter in the general communiqué rather than in a separate declaration.

508. DEA/50328-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 831 Paris, November 19, 1953

SECRET. IMPORTANT.

ATTENDANCE OF LORD ISMAY AT BERMUDA CONFERENCE

Reference: My telegram No. 827 of November 18.

The discussion between the representatives of Belgium, Canada, Italy and the Netherlands referred to in paragraph 5 of my telegram under reference took place this afternoon. One result of the discussion was that it was felt that the best formula for public presentation would be that Lord Ismay was attending the Bermuda Conference as an observer and that he would report to the North Atlantic Council the results of the Conference.

2. An inclusive discussion then took place as to what should be the attitude of the representatives of the other countries if at the informal meeting on Tuesday Lord Ismay should ask for guidance as to what he should say on any questions of substance that might come up at the Bermuda Conference. It was felt that while it would be in order for Lord Ismay to answer questions on the present state of the Organization it would not be appropriate for him to appear as a spokesman for the eleven other countries. It was also felt that this was not an occasion for the representatives of the three powers to sit back and listen to what the representatives of the other NATO countries had to say. This was appropriate in the case of discussions on Germany or on replies to the Soviet notes for which the three powers had special responsibilities, but was hardly appropriate in the case of a general discussion on the present state of NATO. Moreover, such a general discussion would anticipate what the Ministers would be saying at the forthcoming Ministerial meeting.

3. It was finally agreed that we should have to await the instructions which each representative would receive from his respective government and that the course of the discussion on Tuesday's meeting would depend not only on these instructions but also on what the other representatives might have to say.

4. It was disclosed at our meeting that the initiative in inviting Lord Ismay to the Bermuda Conference came from the United States who felt this might serve to reassure the other NATO countries that their interests were being protected. It was also disclosed that the Norwegians welcomed the invitation to Lord Ismay because they feel that this will mitigate the impression in Norway that important questions are decided by the three powers without taking into appropriate account the views of the other NATO countries.

509. DEA/50328-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 835 Paris, November 20, 1953

SECRET. IMMEDIATE.

ATTENDANCE OF LORD ISMAY AT BERMUDA CONFERENCE

Reference: My telegrams No. 827 of November 18 and No. 831 of November 19.

I called on Sir Christopher Steele, the United Kingdom representative, to obtain his views as to the subjects we might touch upon at the informal meeting which is being held on November 24 to discuss the Bermuda Conference. I told him that I had not yet heard from Ottawa but I thought we might have misgivings about the three powers discussing subjects of concern to NATO and then confronting the other NATO countries with decisions which the Ministerial meeting of the Council would be expected to ratify. He defended the invitation sent to Lord Ismay by saying that he felt the other countries would have had more reason to complain if nothing had been done to ensure that their views were taken into account at Bermuda. Moreover, he regarded the meeting on Tuesday not so much as an occasion to give Lord Ismay guidance, as to enable the representatives of the three powers to inform their governments on the views of the other NATO countries regarding the subjects likely to be discussed at Bermuda.

2. This led me to ask what subjects were likely to be discussed at Bermuda. He said that while there was no formal agenda, exchanges were taking place on the subjects that were likely to be raised. It appears from this that more time would be taken up with Far Eastern than with European questions. However, the present position of NATO and the German contribution to western defence were certain to be discussed. Another of the principal topics would be what should be the future attitude towards the Soviet Union. As regards the latter topic the three alternatives were (a) there should be a further initiative for a four-power meeting, (b) the door should be kept open for discussions, or (c) any attempt to enter into discussions should be abandoned. He thought that comments from the representatives of the other NATO countries on these subjects in advance of the Bermuda Conference would be most useful.

3. As regards the present position of NATO, he showed me the copy of a telegram which had been sent by the Foreign Office to the United Kingdom Ambassador at Washington. A copy has been sent to the United Kingdom High Commissioner in Ottawa so you may already have seen it. The telegram dealt with the "long haul". It was based on the premise that the present level of forces, plus the German contribution, is all that the NATO countries can afford to maintain over a long period. Even this presupposes, however, continuation of the United States end-item aid and offshore procurement. It means, in effect, a flattening out of the

NATO defence effort and concentration on improving the quality rather than increasing the quantity of forces. It also means the abandonment of efforts to attain the force requirements set at Lisbon. This proposal is now being discussed with the United States and French Governments. The other Brussels Treaty countries are also being informed. It is intended to be the basis of discussion at the Ministerial meeting. It will require careful consideration as to its eventual public presentation. If the other two countries agree, the United Kingdom intend to discuss it fully at the Bermuda Conference.

4. I said that this was a topic on which we should be prepared to express fully our views at the Ministerial meeting, but I did not see how, in view of the short time available, we could say much at the meeting next Tuesday. Of the other topics he had mentioned I thought that our views were well known and, therefore, if I was to speak on these topics on Tuesday, I would be repeating what we had already said on previous occasions. I told him that I would seek instructions as to how far I should go in expressing views on these questions.

5. I then said we would not want a situation developing whereb· the three powers became a political standing group, or that Lord Ismay became the spokesman for the eleven other NATO countries. He repeated what he had said about the views of the other NATO countries being communicated to the three powers in advance of the Bermuda meeting by their representatives on the Council. He thought that Lord Ismay, at the Bermuda Conference, would be in the position of an international civil servant. He would give information about what had transpired in the Council and could state that he did not think a certain course would appeal to some of the NATO countries, or the reverse. I said one view was that he might be in the position of an observer who would report back to the Council his impressions of the Bermuda Conference. Sir Christopher Steele did not disagree with this definition of Lord Ismay's position but repeated that in his view he was an international civil servant without political responsibility, and, therefore, any views he would be expressing would be in an advisory capacity.

6. I trust that this telegram will assist you in preparing instructions on what I should say at the informal meeting of the Council on November 24.

510. DEA/50328-40

Le secrétaire d'État aux Affaires extérieures au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs to Permanent Representative to North Atlantic Council

TELEGRAM 854 Ottawa, November 23, 1953

SECRET. IMMEDIATE.

ATTENDANCE OF LORD ISMAY AT BERMUDA CONFERENCE

Reference: Your telegrams No. 827 of November 18, No. 831 of November 19 and No. 835 of November 20.

Repeat Important to London as No. 1849 and Washington Important as No. EX-2020.

Following from the Under-Secretary, Begins: It is important that there be no misunderstanding between the Three Powers and the other NATO countries concerning the important issues raised by the Bermuda Conference and Ismay's attendance.

2. Concerning Ismay's role, we agree in general with the line you have already taken (paragraphs 4, 6 and 7 of your No. 827). In particular, we would stress:

(a) that Ismay should go to Bermuda only in his capacity as Secretary-General, not, repeat not, as Vice-Chairman of the Council (i.e. not as spokesman of the North Atlantic Council or of member governments);

(b) that Ismay's primary role should, therefore, be limited to imparting strictly factual information on the present state of NATO as revealed by the Annual Review and recent Council discussions; and

(c) that, as a secondary role, he could report to the Council his impressions of the meeting, although this should not, repeat not, be allowed to detract from the full responsibility of the Three Powers themselves for informing the Council of the results of the meeting insofar as they affect NATO.

3. We agree that it would have been better if the Council had been consulted before the invitation was extended to Ismay. However, since the invitation is now an accomplished fact, we would not (repeat not) wish to raise objections, *provided*:

(a) his role is as outlined above;

(b) the Three Powers recognize that his attendance will in no way serve as a means of taking into account the views of the other NATO countries at the Bermuda meeting; and

(c) that the publicity given his attendance should also make these points clear.

4. Concerning the substance of the subjects to be discussed at Bermuda, it is clearly impossible for us to let you have, in time for the informal Council meeting tomorrow, our considered views on the wide range of important matters mentioned by Steele (your telegram No. 835). Indeed, if the Three Powers really regarded this as a serious effort at consultation, it is difficult to understand why they did not take

some initiative themselves earlier to inform other members of the Council of these matters and their own preliminary views on them. Of course, it is open to us to make our views known directly to the Foreign Office and the State Department later if we wish. The Foreign Office telegram, referred to in paragraph 3 of your No. 835, may give us an opportunity of doing so (but it has not yet reached Earnscliffe). We feel, however, that tomorrow's informal meeting cannot repeat not be considered as providing adequate consultation with member Governments.

5. The Three Powers are, of course, free to discuss at Bermuda whatever questions they wish, including NATO questions, and to reach whatever preliminary agreement they can on the subjects that will be considered subsequently at the Ministerial meeting, but it would be most unfortunate if the public were led to believe that the Ministerial meeting will merely be ratifying decisions reached by the Three Powers. We would, therefore, hope that publicity on the Bermuda meeting, and particularly the Communiqué, might refer to "an exchange of views" rather than to "decisions" with respect to matters on the agenda of the Ministerial meeting.

6. It would also be unfortunate if the impression were given, either that Ismay was going to Bermuda to ensure that the views of the other NATO countries were taken into account (in this connection, Steele's views as reported in paragraph 1 of your No. 835 give some cause for concern), or that he would be returning to Paris to present tripartite decisions to the Council. It is, therefore, important that publicity should emphasize Ismay's role as outlined in paragraph 2 above. We could accept the formula that he would attend as "an observer" but would have reservations about the formula that "he would report to the North Atlantic Council the results of the Conference" (your telegram No. 831). We agree that it would probably be advisable for him to be accompanied by an Information Officer in order to make quite sure that the Press is properly informed about his status.

7. In passing I might say that we find it rather difficult to understand why Ismay should arrive two days late to act as an observer if the meeting is to have no fixed agenda. Presumably, an observer would be more useful if he could observe everything. If there were a definite agenda, it would be natural to have Ismay attend only sessions devoted to matters of direct concern to NATO.

8. I have not (repeat not) been able to discuss this telegram with the Minister. I know, however, that he is in general agreement with the line you have so far taken.

511. DEA/50328-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 848 Paris, November 25, 1953

SECRET

ATTENDANCE OF LORD ISMAY AT BERMUDA CONFERENCE

Reference: Your telegram No. 854 of November 23.

The Council met in an informal and restricted session on November 24 to consider a draft press release and a guidance note for press officers which had been circulated by Lord Ismay. Your very helpful telegram had reached me just before the meeting.

2. The press release which is very short provides that in agreement with the Prime Minister of France and the President of the USA, Sir Winston (as host) has invited Lord Ismay, the Secretary General of the North Atlantic Treaty Organization, to be present as an observer during the Three-Power conference at Bermuda next month, and that Lord Ismay has accepted the invitation with the approval of the Council.

3. The background notes for use by press officers at a press conference which was to be held at 5.45 p.m. on November 24 specify that:

(a) Lord Ismay will attend the Bermuda conference as Secretary General, that is the senior international official of NATO.

(b) The invitation extended to the Secretary General of NATO emphasizes once again the importance which France, the United Kingdom and the United States attach to NATO as a keystone of their foreign policy;

(c) Lord Ismay will attend the conference as an observer. He could express a personal opinion upon matters connected with the North Atlantic Alliance;

(d) Any opinion which Lord Ismay might express at the Bermuda conference could commit none of the fourteen states members of the alliance;

(e) As an observer, Lord Ismay will be in a position to give his views upon the conference to the North Atlantic Council upon his return;

(f) Lord Ismay will be available in Bermuda from the morning of Sunday December 6;

(g) Lord Ismay's party will consist of himself and three members of his staff.

4. The permanent representatives were very guarded in their comments; only the Dane and the Italian supported the Norwegian who expressed the view that it was a good thing for NATO that Lord Ismay had been invited to Bermuda. The Council agreed, however, that the above release and notes were satisfactory. The essential points in your telegram under reference have been met.

5. As to Lord Ismay's role in Bermuda, the Council firmly rejected a suggestion by the Norwegian representative that Lord Ismay might convey to the conference any points which member governments might put to him in private correspondence. It was agreed that if member governments had any views to express they should put them forward in the Council and that they would be noted by the representatives of the Three Powers attending the Bermuda conference.

6. Lord Ismay then invited permanent representatives to express their views on any points which it was thought he might bear in mind while in Bermuda. The Belgian and the Italian representatives argued that it was very difficult for them to express any views in their ignorance of the particular subjects which might be raised in Bermuda.

7. The Norwegian representative suggested that Lord Ismay might draw the attention of the conference to the following three points:

(a) While the last Soviet note was not encouraging and gave little reason to believe that the USSR were willing to attend a conference, it was important that the west should continue to make every reasonable effort to establish a basis for discussion. It was possible that in a given situation, a personal meeting at the highest level might be instrumental in establishing such an acceptable ground.

(b) The NATO countries should continue to aim at reaching a settlement with the USSR on outstanding issues; they should stress the non-aggressive character of their intentions even if, so far, the USSR have not disclosed an interest in a system of mutual security guarantees;

(c) The problem of annual recurring costs for NATO forces: it was necessary that the Ministerial meeting in December[19] should establish a basis for further work towards a solution of this problem.

8. The Danish, the Italian and the Netherlands permanent representatives thought that the Council should not suggest that the problem of recurring costs should be discussed in Bermuda as this was one of the most important points on the agenda for the Ministerial meeting. The Norwegian representative made it clear that he did not wish to suggest that this point should be discussed but he felt that if it were to be raised, it would be proper for the Secretary General to emphasize its importance for the alliance. The United Kingdom representative then intervened to indicate that while his government wanted to discuss the problem in Bermuda, they did not intend that any decisions should be made nor indeed that the other members of the Council should feel that issues of general NATO concern would be settled behind their backs; a number of problems would be raised and it would be helpful for those attending the conference to have the views of their partners.

9. In the end, it was agreed that the representatives of the Big-Three Powers could report that there was strong interest within the Council on the problem of recurring costs but the general view was that a solution could only be found within the Council which was the appropriate forum for a thorough discussion of the question.

10. In the course of the discussion, as suggested in your telegram under reference, I welcomed the assurance that no decisions would be made in Bermuda on issues

[19] Voir les documents 544, 545, 546./See Documents 544-6.

affecting NATO as a whole and expressed the hope that in the final communiqué of the conference, care would be taken not to give the impression that decisions had been taken on NATO matters.

11. On the whole, I am satisfied at the outcome of the meeting. It was important to bear in mind Lord Ismay's feelings and at the same time to make a number of points. The press release, the background notes and the Council discussion have, I feel, achieved and reconciled these objectives adequately.

512. DEA/50328-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 896 Paris, December 3, 1953

SECRET

TRIPARTITE REPLY TO THE LATEST SOVIET NOTE

Reference: Your telegram No. 891 of December 2.†

At an informal and restricted session of the Council on Thursday December 3, the acting United States representative read a short statement on behalf of the three western occupying powers in Germany outlining their appreciation of the latest Soviet Note and indicating the line they propose to follow in drafting the reply. It was agreed that while the latest Soviet Note did not represent a basic change in Soviet policy it may have been influenced by the following considerations:

(a) A recognition of the damaging impression which had been created by their last note, especially among their adherents in Western Europe;

(b) The conclusion may have been reached by Kremlin leaders that something more than a negative attitude was necessary if the ratification of the EDC Treaty was to be prevented;

(c) Their conduct might also have been influenced by the prospects of further reaffirmations of western unity which were likely to emerge from the Bermuda and Paris meetings;

(d) A determination to interfere with the French Foreign Affairs debate which was then taking place. The chief point in this latest Soviet Note was broadcast over the radio as soon as the note had been delivered.

2. The USSR seem to have reversed their views on the priorities to be given to four or five-power meetings. This did not necessarily mean Soviet acceptance of the western view that a four-power conference should discuss first Germany, Austria and European security. In fact, it was anticipated that the USSR might emphasize the desirability of a five-power meeting first to consider the means of reducing international tension.

3. While the previous note of November 3 had been primarily aimed at NATO, the recent one, although somewhat milder in tone was chiefly directed against the EDC. The three occupying powers had reached the conclusion that there was no reason to modify their previous view that there had been no basic change in Soviet policy. There were very serious doubts whether the USSR were ready to undertake serious discussions.

4. In the view of the three powers, it was felt that their reply should agree to a meeting to be held on a date as early as practicable, without any prior conditions.

5. The terms of the reply would be considered in Bermuda and would be influenced by the decisions reached both on its timing and on its substance. The views of other NATO delegations were invited and a copy of the reply would be made available to the Council shortly before it was delivered in Moscow.

6. From the very short discussion which followed, it was clear that all delegations were in full agreement with the tripartite analysis of the motives behind the latest Soviet Note and particularly on the terms of the proposed reply.

7. The Netherlands representative gave his personal opinion that it might not be wholly undesirable from the point of view of the west if discussions were to range over a wide series of subjects. It was not likely that at this time the USSR would be prepared to agree to the unification of Germany on terms acceptable to us but in other fields it might be that some basis for reaching limited settlements might be found.

8. I made the points in your telegram under reference and added that while the USSR might not be prepared to discuss at the conference the various subjects in the order which might appeal to the western powers, there should be no insistence in the tripartite reply on a strict order of procedure. I also said that I did not think that an issue should be made as to the place suggested for holding the conference.

9. The Greek representative recalled that on previous occasions he had made the point that there would be no reduction in east-west tensions as long as the USSR and China could not somehow be divided and he thought that this objective should be borne in mind in preparing for the five-power conference.

10. In the course of the discussion, the Norwegian and a few other representatives stressed the point that the tripartite reply should not be argumentative and that in particular it should lay down no pre-conditions. If the tripartite reply were now to raise problems as to the agenda or the order of procedure, certain sections of public opinion which have been suspicious of western diplomacy all along might claim that these pre-conditions provided confirmation of their view that the west were not really anxious to meet with the USSR; they might argue also that western insistence on these pre-conditions had been responsible for the negative outcome of the meeting.

11. The Belgian representative referred to the Soviet insistence in their latest note on European security arrangements. He enquired whether any thought had been given to this subject by the three occupying powers, adding that as this was a subject which affected all NATO countries, they would be particularly interested in the outcome of any tripartite discussions on this subject. The United States representative replied that this would probably be one of the subjects to be considered at

Bermuda. He added that further expert meetings, similar to that which had been held in Paris recently, might also be arranged in the near future.

4e PARTIE/PART 4

CRISE DE TRIESTE
TRIESTE CRISIS

513. DEA/50233-40

Note de la 1re Direction de liaison avec la Défense pour la Direction européenne

Memorandum from Defence Liaison (1) Division to European Division

SECRET [Ottawa], October 16, 1953

TRIESTE CRISIS AND NATO

Telegram No. 118 of October 14 from Rome says:†

"In the course of conversation with Mr. de Gasperi yesterday, he gave me his opinion on what the Italian Government should do in case Yugoslav troops move into Zone A.

"He considers that this would be an armed attack on a NATO party who should at once ask for support of other parties as provided in Article 5 of the Atlantic Pact."

Although Mr. de Gasperi is not at present a member of the Government, his opinions should be taken seriously. Perhaps we should have thought earlier of the place of NATO in this dispute.

2. The US – UK decision, as announced on October 8, is to terminate the Allied Military Government of Zone A, to withdraw their troops, and to "relinquish the administration of that zone to the Italian Government". Although the announcement does not say so, it was understood that Italian troops would move into Zone A not later than the time of withdrawal of US – UK troops. Tito then said that Yugoslav troops would enter Zone A the moment Italian troops did so, which would make a clash between the two forces inevitable.

3. Until Article 6 of the North Atlantic Treaty was amended effective February 1952, the US – UK forces in Zone A of Trieste were covered by Article 6 not because Zone A was a territory of a Contracting Party but because Article 6 covered "armed attacks on the occupation forces of any Party in Europe", and the US – UK troops in Zone A were deemed to be occupation forces. (See minutes of 18th meeting of Washington talks on drafting of North Atlantic Treaty, held March 15, 1949.)

4. The new article 6 reads in part as follows:

"For the purpose of Article 5, an armed attack on one or more of the Parties is deemed to include an armed attack —

(i) on the territory of any of the Parties in Europe . . . ;

(ii) on the forces, vessels or aircraft of any of the Parties, when in or over these territories or any other area in Europe in which occupation forces of any of the Parties were stationed on the date when the Treaty entered into force . . ."

It is open to argument whether Zone A will be "territory" of Italy[20] within the meaning of paragraph (i) at the moment when the threatened attack takes place. However it is clear that Italy could invoke paragraph (ii) of Article 6; so could the US and UK if their troops were attacked in Zone A. Of course, if Tito's troops entered Zone A without "attacking" any forces, it could be said that Article 6(ii) was not involved; can we imagine Italian and Yugoslav troops peacefully inhabiting Zone A together?

5. There is no ground for saying that Article 6 applies to the entry of Tito's troops into Zone B and no one has said it.[21]

6. If Mr. de Gasperi is correct and Article 6(ii) would apply to an attack on Italian forces in Zone A, it would seem to follow that the North Atlantic Council should at once be seized of this dangerous situation which might involve an "armed attack" within the meaning of Article 6. Other members of NATO are entitled to insist that the Council discuss it at once and furthermore that no further action be taken — by the US, UK, or Italy — that might incite an armed attack within the meaning of Article 6 before those future actions have been discussed in the Council.

7. It seems to me that, if the Minister approves, Mr. Wilgress should be instructed to ask Lord Ismay to call the Council to discuss Trieste. Whether we should consult the US and UK *before* asking Lord Ismay is open to question — perhaps it would be sufficient to *tell* the US and UK what we are doing without waiting for their comments. Another gambit, if we wish to be extra kind to the US and UK, would be to urge them to ask for a discussion in the North Atlantic Council.

8. I should think that our Ambassador in Rome should not at this stage tell either Mr. de Gasperi or the Italian Government what we think of Article 6.

9. I assume that our Embassy in Belgrade will be kept informed of all communications.

M. WERSHOF

---

[20] Note marginale:/Marginal note:
It will not be. M. W[ershof]

[21] Note marginale:/Marginal note:
They are already there.

514. DEA/50233-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1644 Ottawa, October 22, 1953

CONFIDENTIAL

TRIESTE AND NATO

Addressed Washington EX-1776
Repeat for information CANAC No. 770; Rome No. 137; Belgrade No. 99.

The threat by Marshal Tito (whether he means to carry it out or not) that he will send his troops into Zone A of Trieste if Italian troops enter, means that all NATO members are now affected by the US – UK decision to withdraw from the Zone in favour of Italy. For, if Yugoslav and Italian troops should clash, Italy can invoke Article 5 and 6(ii) of the North Atlantic Treaty.

2. It is understandable that the US and UK did not bring the Trieste problem before the North Atlantic Council prior to the announcement of October 8, since it would have apprised the Italians in advance of what was intended to be a concurrent approach to Rome (a NATO member) and Belgrade. On the other hand, there was no important reason not to bring it up after the announcement; and there was positive justification for bringing it up when Marshal Tito issued his threat.

3. If the UK and US did not wish to bring the matter up in the Council, they should have given some information to other member states by other channels as to how they plan to counter Marshal Tito's threat. The cryptic reference to Trieste in the Three-Power communiqué of October 8 gives the NATO members no greater assurance that they will not become involved in Trieste.

4. I think the Council should discuss Trieste for two reasons. First, in order to safeguard the principle that it is desirable for the Council to discuss any situation or plan of action affecting other members, particularly those situations which may involve NATO members in hostilities with other powers (acquiescence in by-passing the Council cannot but have a bad effect on the future of the organization). Secondly, in order that we may hear of the provision made in UK – US plans for the possibility of a Yugoslav – Italian clash in Zone A. (It is not so much a case of the North Atlantic Council trying to resolve the issue as its being informed of actions contemplated and solutions envisaged by the two parties directly responsible (UK and US)).

5. Will you, therefore, please tell the Foreign Office/State Department that we hope that they, in conjunction with their US/UK colleagues, will request Lord Ismay to place Trieste on the agenda of the North Atlantic Council for discussion at the earliest possible meeting, in order to apprise all members of their plans in Trieste and answer whatever questions or apprehensions these members may have.

You may use the considerations outlined in paragraphs 2, 3 and 4 above, and should also say that we are making a similar approach to Washington/London. (CANAC please inform Embassy Paris)

515. DEA/50233-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2435 Washington, October 24, 1953

CONFIDENTIAL

TRIESTE AND NATO

Reference: Your EX-1776 of October 21, 1953.

In an interview with Ben Moore, Director of the European Regional Office in the State Department, we put to the State Department the hope that the United States might agree to place Trieste on the agenda of the NATO Council for discussion at the earliest possible meeting. Byington, the Director of the Western European Office, and the Officer in Charge of the Italian Desk were also present at the interview.

2. Moore said that while appreciating the desirability of using the NATO Council to apprise all members of the situation which is giving rise to concern, the State Department would strongly oppose a discussion in the Council on this question, either in an open or a closed meeting, at the present time.

3. He advanced two main reasons for this opposition. First, the Trieste situation was regarded by the United States and the United Kingdom not in terms of a threat of military aggression, but as a long-standing dispute which the two powers were endeavouring to settle peacefully by diplomatic negotiation. These negotiations were in a very delicate stage, in which the two powers were trying to persuade the Italian and Yugoslav Governments to sit down to a round-table discussion in a Five-Power conference. At this meeting it is hoped that the two parties in the dispute will sit down as equals and that the United States, United Kingdom, and France will endeavour to exercise moderating influences in order that a final and peaceful solution may be worked out. To introduce this subject in any form into the NATO forum at this time, would result in having one of the parties to the dispute involved take part in a discussion which would inevitably only tend to increase the suspicions and consequent intransigence of the other party, Yugoslavia. Even a closed meeting would inevitably have the danger of leaks, and the hyper-sensitive Yugoslavs would tend to misinterpret a NATO discussion.

4. The second reason is that Tito's threat to send troops into Zone A of Trieste if Italian troops enter, does not actually involve, in the opinion of the State Department, NATO territory, as defined in Article VI of the North Atlantic Treaty. The

free territory is not regarded as part of Italy. Such a threat would be a direct NATO concern only if (a) the occupation forces in Zone A were attacked; or (b) if a de facto annexation of Zone A to Italy had taken place. In the present circumstances neither the United States nor the United Kingdom believe that a military threat exists and in fact they are, as you know, consulting about the postponement of the withdrawing of the occupation forces so as to prevent the possibility of a clash, while they continue their efforts to get the two parties to the dispute around the conference table.

5. The State Department officials said that since the tripartite conference in London, the United States and the United Kingdom representatives have been sounding out the Italian and Yugoslav Governments on their reactions to the desirability of holding a Five-Power conference. So far, their reactions are not encouraging since each has balked attendance for opposite reasons. Italy, because of its reluctance to depart from the October 8 decision, and Yugoslavia because of its reluctance to negotiate on the basis of acceptance of that decision. Thus, at present the two powers are trying to persuade the two governments to come to the conference without a fixed agenda and what, in effect, would be exploratory talks. The State Department professed the belief that there was still some hope that they may be successful in these efforts.

6. Thus, the State Department hope that we will not press for a discussion at this time, believing that any discussion while these delicate negotiations are proceeding would do more harm than good. In effect, if the matter were placed on the agenda, despite United States and United Kingdom objections, they said that the report which the two governments would have to submit would be so uninformative as to provide no useful basis for discussion and would quite justifiably be resented by members. In the meantime, they will keep us informed of developments on a bilateral basis.

516. **DEA/50233-40**

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1781 London, October 27, 1953

CONFIDENTIAL. IMMEDIATE.

TRIESTE AND NATO

Reference: Your telegram No. 1644 of October 21.

1. Your telegram under reference was not received until Saturday, October 24. I conveyed its contents to the Foreign Office yesterday. I thought in view of the time that had elapsed since its despatch that the Foreign Office might already have heard of our parallel representations in Washington and perhaps have exchanged views with the State Department as to the reply to be returned to them.

2. I was informed that there had as yet been no exchange of views with Washington about the feasibility of bringing the Trieste question before the Council of NATO. Harrison, who is the Under-Secretary dealing with Trieste, said that the Foreign Office had canvassed the possibility of bringing the matter before NATO, but had been defeated by the fact that Italy was a member and Yugoslavia was not. The immediate objective of the three powers was to try to find some acceptable basis on which the immediate parties to the dispute could agree to come into a conference. The United Kingdom feared that a reference to NATO at this stage might prejudice this effort. There was no precedent for asking a NATO member to step outside while a subject was under discussion, nor was there any precedent for inviting a non-member country to associate itself with discussions in NATO. Without prior agreement on some such procedural arrangements, a reference of the Trieste question to NATO might further upset Yugoslav susceptibilities and suspicions and make it even harder to get them into a conference.

3. Harrison made it plain, however, that the United Kingdom had not definitely rejected a reference to NATO; it simply had not thus far been able to see how such a reference was likely to advance the search for a solution of the problem. In the meantime the United Kingdom and the United States were definitely agreed that they could not, under present conditions, proceed with the planned withdrawal of their troops. They would have to stay where they were while efforts to arrange a conference were proceeding. So long as they stayed where they were, Tito's contingent threat did not arise nor was there a threat to NATO security within the meaning of Articles 5 and 6 of the North Atlantic Treaty.

517. DEA/50233-40

Le secrétaire d'État aux Affaires extérieures au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs to Permanent Representative to North Atlantic Council

TELEGRAM 807 Ottawa, November 4, 1953

CONFIDENTIAL

TRIESTE AND NATO

Reference: Our telegram No. 770 of October 22 to CANAC.
(Telegram addressed London No. 1720, Washington No. EX-1869; repeated Rome No. 142, Belgrade No. 107, and Paris No. 556).

The Foreign Office and State Department are opposed to bringing up Trieste in the North Atlantic Council, primarily because they fear that this may increase Yugoslav susceptibilities and thus prejudice their efforts to reach a settlement in Trieste by getting the parties immediately concerned to agree to a conference. We are not, therefore, pursuing the matter further.

2. By our approach to London and Washington we have learned, at any rate, that the UK and US definitely will not withdraw their troops from Zone A under present

conditions, so as to prevent any possibility of a clash between Italy and Yugoslavia. This answers our question about possible involvement under Article VI (ii) of the North Atlantic Treaty. By our approach, we have also at least recorded our concern that the Council should not be by-passed when problems arise which might affect all members under the terms of the North Atlantic Treaty.

518. DEA/50233-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM 822 Ottawa, November 12, 1953

CONFIDENTIAL

TRIESTE

Repeat London No. 1780; Washington No. EX-1938; Embassy Paris No. 575; Belgrade No. 110; Rome No. 145.

Yugoslav Ambassador called on November 6 to enquire, on instructions from his Government, about the truth of a report concerning the movement of Italian troops, which recently appeared in *Le Monde*. According to him the report stated that Italian troops which are integrated with NATO forces had been moved by the Italian Government to the vicinity of Trieste. His Government is under the impression that any such movement of NATO forces should first be cleared with the other NATO Governments and he was asked to find out whether any approach had been made to the Canadian Government. He said that a similar enquiry was being directed by Yugoslav Missions to the other parties to the North Atlantic Treaty.

2. After inquiries in Ottawa, we told Ambassador on November 10 that no approach was made to the Canadian Government (by the Italian Government or anyone else) about the proposed troop movement, and that we do not know *officially* whether the troops in question are "integrated with NATO", i.e. under the command of SACEUR. He seemed content.

3. *Le Monde* of November 3 quoted a SHAPE spokesman as saying that the troops were under SACEUR and that SACEUR had been informed of the move.

519. DEA/50233-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM 834 Ottawa, November 17, 1953

CONFIDENTIAL

TRIESTE

Repeat Washington No. EX-1969; London No. 1807; CANDEL No. 229; Emb[assy] Paris No. 581; Belgrade No. 114; Rome No. 149.

On November 10 I received similar memoranda from the United Kingdom High Commissioner and the United States Ambassador on the subject of Trieste, and, at the same time, a Note from the French Ambassador on the same topic. These communications had been sent to all members of NATO except Italy. The United Kingdom and United States memoranda outlined the considerations which led the United Kingdom and United States Governments to their decision of October 8, and then dealt with the problem of the relationship between Trieste and NATO. It was stated that the two Governments recognize that NATO members have a legitimate interest in the situation in Trieste, that a Council discussion at present would not be opportune, but that this attitude is not meant to prejudice a possible future Council discussion should the need arise. The French Note associated itself with the position of the United States and United Kingdom.

2. Subsequently, on November 12, the Office of the United Kingdom High Commissioner informed the Department that the United States, United Kingdom and France had decided that Italy should not be left in the dark about these communications. Consequently, the Permanent NATO representatives of these three countries have been instructed to tell their Italian colleague, informally, that other NATO members have been informed through diplomatic channels that it might be possible to arrange a conference very soon and that, meanwhile, a Council discussion would be undesirable.

3. Copies of the United Kingdom and French communications and of my replies are being sent to you by bag.

520. DEA/50233-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassade aux États-Unis

Under-Secretary of State for External Affairs
to Embassy in United States

LETTER NO. S-1341 Ottawa, November 20, 1953

SECRET

TRIESTE AND NATO

Reference: Your Telegram WA-2435 of October 24.

Although we have accepted the United States and United Kingdom view that Trieste should not be discussed in the North Atlantic Council at this time, we have not been able to agree with the argument which the State Department used when you discussed this question with them, to the effect that Articles V and VI of the Treaty could not be invoked by Italy if Yugoslav troops clashed with Italian forces in Zone A.

2. We understand from your telegram WA-2435 that the State Department argued that a Yugoslav – Italian clash in Zone A would not legally involve NATO countries under the terms of Articles V and VI of the North Atlantic Treaty because Trieste is not a part of Italy and is not therefore "NATO territory", and because the Italian troops which might have been allowed there would not have the status of "occupation troops" which United Kingdom and United States forces enjoy. Consequently, if a clash occurred, Italy would not be justified in invoking Articles V and VI of the Treaty.

3. Our view, as stated in telegram EX-1776 of October 22, has been that Italy could invoke these Articles and that this meant that all NATO members were affected by the October 8 decision. Our reason for holding this view has been that Article V with Article VI (ii) of the North Atlantic Treaty provide for assistance in the case of an attack on the *forces* (and not just on the *territory*) of the parties to the Treaty when these forces are in any area in Europe in which occupation forces of any of the parties *were* stationed on the date when the Treaty entered into force. Therefore, under Article VI (ii), it is immaterial whether Trieste is a *territorial* part of Italy, or whether Italian troops there would have the legal status of being "occupation forces"; it is sufficient that the *armed forces* of Italy, a NATO member, be attacked in an occupied or formerly occupied area, for Article VI to come into play.

4. The Foreign Office have now given us their views on this point, which we find agree with our own. A copy of their telegram (CRO telegram Y.329 of November 12)† has been referred to you. In this telegram the Foreign Office state that "the Americans" agree with their views.

5. The United States view as reported from the Foreign Office is in agreement with our own but at variance with that which we received earlier through you from the State Department. For this reason, and in order that the United States officials

concerned should know the legal considerations behind our own position, we think it desirable that the question of the applicability of Articles V and VI (ii) of the North Atlantic Treaty to Trieste should be reviewed again with the State Department. We should appreciate it if you would find a suitable opportunity to give the State Department our legal position with regard to these Articles. This is given in detail in two memoranda dated October 20, copies of which are attached.† In the discussion with the State Department, we would hope that you would also be able to elicit from them a further expression of their opinion, which we hope would accord with that reported by the Foreign Office. You should be sure that your approach is not taken by the United States authorities to mean that we wish to resurrect the question of the desirability of the North Atlantic Council reviewing the possibility of its involvement in Trieste under these Articles of the Treaty. For we accept the United Kingdom and United States view that such a discussion should not be held at this stage.

C.S.A. RITCHIE
for Under-Secretary of State
for External Affairs

5e PARTIE/PART 5

PROJET DE CRÉATION D'UNE ASSEMBLÉE DE PARLEMENTAIRES
PROPOSED PARLIAMENTARY ASSEMBLY

521. DEA/10548-BJ-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], August 18, 1953

ASSOCIATION OF PARLIAMENTARIANS WITH THE WORK OF NATO

The Norwegian Representative to the North Atlantic Council, on instructions from his Government, has circulated a Note (document C-M(53)112) suggesting that contact be established between the Council and the legislatures of member countries. A copy is attached as Annex A.† The proposal is that, as a "tentative and modest" step in this direction, "a conference of a limited number of parliamentarians from each of the NATO countries be arranged in the autumn of this year, preferably after the Ministerial meeting of the Council". It is stressed that the conference should be short (one week) and purely informative (not consultative), but it is also suggested that arrangements might later be made for similar meetings once or twice a year.

2. Norway has, for several years, been a consistent advocate of a measure along these lines. It is evidently its educational value that is the chief attraction to the Norwegians, the Government hoping thereby to exercise a more direct influence on

Parliament and the parliamentarians hoping to influence Government policy more effectively. The present initiative has arisen out of a recent recommendation by the Foreign and Constitutional Committee of the Storting that the Norwegian Government should propose in NATO a parliamentary assembly which might foster a series of new and useful ideas and would give an opportunity for Western cooperation in fields other than the purely military. The Committee felt that such an assembly would not need any formal advisory authority as its debates would provide sufficient guidance to the Council.

3. The idea of a North Atlantic assembly of parliamentarians has, of course, been put forward in different forms on a number of previous occasions. An outline of the background history is contained in Annex B.† The Committee of Five[22] which considered the question in connection with its study of Article II matters, made no general recommendations and concluded that this was a subject which could best be dealt with on the basis of experience. When the matter was taken up again after the Lisbon meeting, the Council was of the opinion that, rather than call conferences of parliamentarians, Governments should encourage the creation of parliamentary Atlantic Community groups on an informal basis. International meetings between parliamentarians interested in NATO might be considered later and might, it was thought, develop gradually and spontaneously as a result of the activities of national groups.

4. The attitude of the United Kingdom and the United States has, in the past, been unfavourable toward the actual establishment of a NATO parliamentary assembly. Recently, however, (during the Three-Power Conference of Foreign Ministers in Washington) Mr. Dulles suggested that study might be given to the possible arrangement of meetings, under NATO auspices, of parliamentary representatives from NATO countries and the possible creation of some official parliamentary structure. Apparently the suggestion was enthusiastically received by Lord Salisbury and M. Bidault "did not demur".

5. Our NATO Delegation in Paris have warned us that the Norwegian proposal will be discussed in an informal meeting of the Council on August 21 and have requested our views both on the question of principle involved and on the financial implications. They have expressed sympathy with the objective but have warned that, judging from the experience of the Council of Europe, parliamentarians may not be satisfied to come to Paris only to meet each other and to receive general information on NATO activities; they may raise questions as to their corporate status and may take up the idea of a NATO parliament. What may be involved ultimately may be no less than the relationship between the Council and national parliaments. As to the financial implications, the Delegation have suggested three

---

[22] Il s'agissait d'un Comité ministériel composé des représentants de la Belgique, du Canada, de l'Italie, de la Norvège et des Pays-Bas, créé par le Conseil de l'Atlantique Nord au cours de sa réunion à Ottawa du 15 au 20 septembre 1951 pour "étudier le renforcement de la communauté nord-atlantique et, en particulier, la mise en oeuvre de l'article II du Traité de l'Atlantique Nord". This was a ministerial committee composed of representatives of Belgium, Canada, Italy, the Netherlands and Norway established by the North Atlantic Council at its meeting in Ottawa, September 15-20, 1951, "to consider the further strengthening of the North Atlantic Community and especially the implementation of Article II of the North Atlantic Treaty."

possible solutions if a parliamentary conference were, in fact, to be held: expenses could be paid by the parliamentarians themselves; by their governments; or by NATO.

6. Some of the arguments for and against the Norwegian proposal may be briefly summarized as follows:

For:

(1) Such a meeting of parliamentarians would increase the public understanding of the work of NATO and would thereby widen the base of public support which is essential to the carrying out of Government policy.

(2) At the present time, in particular, when NATO is no longer making spectacular headlines, there may be a special need for bringing home to the public the true significance of NATO.

(3) Such a meeting would provide useful contact at the parliamentary level between North American and European elements in the Atlantic Community and would, in particular, expose United States congressional representatives to outside opinion on international trade policies.

(4) It is perhaps an appropriate time to encourage public and parliamentary interest in the Atlantic Community and the non-military aspects of the North Atlantic Treaty.

Against:

(1) An unguided general debate by parliamentarians might, like some of the debates in the Council of Europe, be so discursive and ill-informed that it would produce more obfuscation than clarification of the important issues.

(2) There may be a security risk in releasing to parliamentarians (particularly those from some of the European member countries) sufficient information to enable them to discuss seriously the most important problems involved in the work of NATO.

(3) Such a meeting might be irresponsible in producing proposals which have no chance of acceptance by Governments and which, therefore, might lead to public disillusionment.

(4) Such an assembly might concern itself with its own status and attempt to establish some formal consultative link with the North Atlantic Council.

7. It would seem that the *pros* are based mainly on the possible educational value of the proposed meeting of parliamentarians, and that the *cons* involve the practical difficulties in achieving these advantages, difficulties which arise, for the most part, out of the danger that the scope of such an assembly may quickly expand far beyond the bounds of an informal meeting. This may, in turn, raise the fundamental issues of the relationship between the North Atlantic Council and national parliaments and the ultimate shape and form of the Atlantic Community. If the advantages to be gained merit taking the calculated risks involved, we should presumably support the Norwegian proposal. On the other hand, it might, in fact, be argued that these advantages could be obtained as effectively and without the same attendant risks by other means, such as visits to NATO Headquarters by groups of parliamentarians and various public information methods. The safest course at this juncture,

however, may be to wait and see how much support the proposal attracts in the Council and, if it appears to be generally supported, to emphasize the educational and informative aspects of the proposed meeting. In this connection, we might refer back to the proposal considered by the Information Policy Working Group last October, that the programme for a parliamentary session at NATO Headquarters might include a briefing on the work of NATO, private background discussions and perhaps, also, visits to NATO Commands.

8. I have consulted officials in the Department of Finance on the financing of such a meeting if it is held and would suggest that, of the three possible methods, we should favour financing by Governments.

9. Would you agree to our sending guidance along the lines of the foregoing paragraphs to Mr. Wilgress in Paris?

C.S.A. R[ITCHIE]

522. DEA/10548-BJ-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

SECRET Ottawa, September 30, 1953

Dear Dana [Wilgress],

I refer to the Department's numbered letter D-516 of September 10 concerning the Norwegian proposal for a conference of parliamentarians this autumn under NATO auspices.[23] The Prime Minister has been following this proposal with interest, and his present view is that there would be a risk in having any meetings at which parliamentarians from all NATO countries were present simultaneously. He is inclined to the view, therefore, that something along the lines of the suggestion by the French and Italians, as set forth in paragraph 5 of your letter 2677 of August 21,† might be preferable if anything is to be done. That proposal, as you will recall, is that parliamentarians might be brought to Paris in small groups at different times to gain an acquaintance with NATO and its work.

I appreciate that the arrangements proposed by the Norwegians are still in a very preliminary stage of discussion and that the Committee over which you preside is still considering this matter. It may be that the general feeling in the Committee would be in favour of the principle of a general meeting of parliamentarians for the purpose of increasing their interest in and knowledge of NATO, and, if this is the case, we should of course be prepared here to consider the matter. I am sure you will agree, however, that there are a great many practical considerations to be worked out and that, as emphasized in my earlier telegram No.547 of August 19,† a

[23] La lettre numérotée D-516 transmettait une copie du document 521.
Numbered Letter D-516 communicated a copy of Document 521.

good deal of caution is required in approaching this suggestion. This is particularly necessary if the reports which appeared in the *New York Times* of September 2 from Copenhagen, following the Second International Study Conference, are substantially correct. According to this report, the Norwegian suggestion, sponsored by the Storting member, Mr. Finn Moe, is "that a permanent Atlantic Parliament be set up in Paris to which each North Atlantic nation would name representatives drawn in equal proportions from Government and Opposition parties". This, of course, is going a great deal further than we would be prepared to go, as you will see from the indication I have given above of Mr. St. Laurent's current thinking on this subject.

Yours sincerely,

MIKE [PEARSON]

523. L.B.P./Vol. 16

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

SECRET Paris, October 8, 1953

Dear Mike [Pearson],

Your letter of September 30 concerning the Norwegian proposal for a conference of parliamentarians under NATO auspices was received at a very opportune time. Your letter came late yesterday afternoon. As indicated in my telegram No. 720 of today's date,† Mr. Fenoaltea[24] came to see me in the morning to show me a paper prepared in the Secretariat in order to provide a basis for further discussion of this question in the Council.

You will note from what I told Mr. Fenoaltea that we in the Delegation have become apprehensive of the risks involved in the Norwegian proposal. I was therefore very glad to have your letter indicating that the Prime Minister feels there would be a risk in having any meetings at which parliamentarians from all NATO countries were present simultaneously. I had had the impression that both the Prime Minister and yourself were favourable to the general idea of a conference of parliamentarians under NATO auspices. In departmental letter D-516 of September 10 the comments of the Prime Minister were given in para.3 as follows: "I see no objection either to principle or financial implications". In departmental telegram No. 638 [683] of August 19† you were quoted as commenting that "We should support the principle of meetings of parliamentarians to increase their interest in and knowledge of NATO, but I agree that there are a good many practical considerations to be worked out and that without careful preparation the meetings might be

[24] Sergio Fenoaltea, secrétaire général adjoint aux Affaires politiques, Organisation du traité de l'Atlantique Nord.
Sergio Fenoaltea, Assistant Secretary-General for Political Affairs, North Atlantic Treaty Organization.

without great value and, indeed, with real disadvantages". Accordingly you went on to support a cautious but not unfriendly attitude.

I might say that our own views in the Delegation were at first somewhat similar, but the more we have been thinking over the matter the more apprehensive we have become of the dangers in the Norwegian proposal. Following my talk with Mr. Fenoaltea I was going to send a telegram to the Department, setting forth our apprehensions and, therefore, it was a relief to receive your letter of September 30 indicating that these apprehensions were shared by the Prime Minister and by yourself.

We shall await your further instructions on this matter with great interest.

Yours sincerely,

DANA [WILGRESS]

524. DEA/10548-BJ-40

La délégation au Conseil de l'Atlantique Nord au sous-secrétaire d'État aux Affaires extérieures

Delegation to North Atlantic Council to Under-Secretary of State for External Affairs

LETTER NO. 3601 Paris, November 9, 1953

SECRET

RELATIONS BETWEEN NATO AND PARLIAMENTARIANS FROM MEMBER COUNTRIES

Reference: Our letter No. 3580 of November 5.†

I attach copy of the note[25] drafted by the Secretariat in compliance with the instructions of the Committee on Information (paragraph 6 of our letter under reference). This note combines proposals (b) and (c) in the earlier Secretariat note (AC/52-D/23).†

2. The various suggestions in paragraphs 1, 2 and 3 (i) and (ii) are, I think, acceptable to us. I am not sure, however, whether we should accept without reservations the suggestion in paragraph 3 (iii) that NATO itself should take the initiative of arranging tours for parliamentarians from member countries. Perhaps we could accept this suggestion in principle, subject to an examination of specific proposals and of their financial implications.

3. *Action required*: Your instructions on the various proposals outlined in the attached Secretariat note are required before November 26 when they will be discussed again by the Committee on Information and Cultural Relations.

L.D. WILGRESS

[25] La pièce jointe était une version préliminaire du document 525.
The enclosure was a draft of Document 525.

525. NATO RECORDS

Note du Comité de l'information et des relations culturelles

Note by Committee on Information and Cultural Relations

NATO CONFIDENTIAL [Paris], November 9, 1953

RELATIONS BETWEEN NATO AND PARLIAMENTARIANS FROM MEMBER COUNTRIES

Note by the Secretary[26]

The purposes underlying the various proposals concerning relations between NATO and parliamentarians from member countries are briefly the following:

(a) to make parliamentarians of member countries better acquainted with the aims and activities of NATO;

(b) to foster mutual knowledge and understanding among NATO parliamentarians;

(c) to promote deeper understanding of and wider support for the aims and activities of the Alliance.

2. Any steps which member governments might decide to take in order to further these objectives would, however, be conditioned by considerations both of a constitutional and of a practical nature:

(a) The forum for the consultation between member countries on matters of common concern within the framework of the Treaty is the Council and its subsidiary bodies composed of representatives of member governments.

(b) As security aspects of NATO activities are very relevant, it is particularly difficult to arrange detailed discussions on NATO matters based on factual information, with any group of people outside authorized government officials.

3. In the following proposals account has been taken of the aims and safeguards set out in paragraphs 1 and 2 above:

i) Member governments should use all suitable opportunities of informing parliamentarians of the activities of the Alliance, and, whenever it is felt to be useful, of arranging parliamentary debates on NATO and the Atlantic Community. The report by the Secretary General now in preparation would presumably receive wide distribution among parliamentarians.

ii) Interparliamentary contact:

a) Member governments should encourage the setting up within their countries of groups of parliamentarians especially interested in NATO.

b) These groups should be encouraged, so far as is possible, to develop their own interparliamentary contacts on the basis of mutual interest in and support for

---

[26] L'original comporte le texte suivant :
The following is in the original:
Prepared in accordance with the Committee's instructions at the meeting on 5th November 1953, AC/52-R/7.

NATO either among themselves or in affiliation with pro-NATO voluntary organizations.

c) When, as a result of such contacts, approaches are received by NATO from the group or groups concerned, every effort would, of course, be made to encourage their active interest in, and support for, NATO by meeting requests for guest speakers, visits or interviews, and if necessary furnishing secretarial and interpreter assistance in Paris for meetings organized by such a group or groups.

iii) Tours and visits for parliamentarians from member countries:

a) Parliamentarians should be encouraged to visit NATO Military and Civilian Headquarters whether in smaller or larger groups.

b) Visits might be arranged by NATO for parliamentarians from one or more member countries to the Military and Civilian Headquarters. These visits might be combined with tours to one or more member countries.

The tours outlined in a) and b) might be initiated and arranged either by NATO or by member governments.

H. HJORTH-NIELSEN

526. DEA/50115-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM 850 Ottawa, November 21, 1953

SECRET

RELATIONS BETWEEN NATO AND PARLIAMENTARIANS

Reference: Your Letters No. 3580 of November 5 and No. 3601 of November 9.

I am in general agreement with the Note drafted by the Secretariat (AC/52-D/24). It accords with my view of the usefulness of promoting contact between NATO and parliamentarians from member countries and on the precautions necessary in doing so.

2. I also think the proposals outlined in paragraph 3 of the Secretariat's Note are acceptable. I think we can accept the suggestion that tours for parliamentarians from member countries might be initiative of NATO itself (as well as of member governments), provided member governments are consulted and approve the financial implications.

527. DEA/50105-D-40

Extrait d'une lettre de la délégation
au Conseil de l'Atlantique Nord
au sous-secrétaire d'État aux Affaires extérieures

Extract from Letter from Delegation
to North Atlantic Council
to Under-Secretary of State for External Affairs

LETTER NO. 3839 Paris, November 27, 1953

SECRET

MEETING OF THE COMMITTEE ON INFORMATION AND CULTURAL RELATIONS ON NOVEMBER 26

Reference: Your telegram No. 853 of November 23, 1953.†

Item I — Relations between NATO and Parliamentarians from Member Countries

As Chairman of the Committee, I reported that the Secretary General wanted to have a report from the Committee on this subject for discussion at the Council meeting on Wednesday December 2, as he hoped to refer to it in his general report to the Ministerial Meeting. I then invited the Committee to discuss the two main proposals which had been considered so far: the Norwegian proposal as amended in the Secretary General's Note and the latest compromise Secretariat proposal (AC/52-D/24).

2. It appeared that all delegations except the United States were prepared to accept the Secretariat proposal.

3. Some delegations, the Belgian, the Danish, the Icelandic and the Netherlands, would have been prepared to go further and to support the Norwegian proposal, but as it did not seem to be generally acceptable, for the sake of an agreed solution they could accept the more modest Secretariat scheme.

4. The Italian and the Portuguese Delegations agreed with the Secretariat proposal but on the understanding that the various proposals involved were not mandatory for Governments or Parliaments.

5. The Norwegian Representative recognized that there seemed to be no possibility that agreement might be reached at this time on the scheme put forward by his Government. While he was ready to accept the Secretariat proposal, he made two points: (a) the Norwegian proposal was not being withdrawn and his Government reserved the right to revive it later on; (b) the Norwegian Government did not intend to suggest, in making their original proposal, that a consultative body should be set up within the Organization. They had in mind a meeting for information purposes only and they could not agree that such a meeting might create constitutional problems.

6. The United States Representative felt that he could not accept the Secretariat proposal as it stood. In explaining his position he pointed out that:

(a) If the United States Government had been prepared at this time to accept the Norwegian proposal they would have suggested more detailed arrangements, in some respects. Congressmen had, however, a heavy programme early next year and it was not considered possible that any could be available to attend a NATO meeting of the kind envisaged;

(b) It was not desirable to set up within the Congress small groups concerned more particularly with NATO; in both Houses, there were committees dealing with foreign affairs and sub-committees concerned with European questions. It was not desirable to segregate some Congressmen for NATO purposes;

(c) A number of Congressmen had already come to Paris. Although the United States Government saw no harm in the proposal that Parliamentarians should be encouraged to visit NATO Headquarters, they did not consider that it was particularly useful or relevant in the case of the United States.

7. The United States Representative concluded his statement by suggesting that the Committee might prefer to send a report to the Council, outlining the various proposals which had been made so far, and giving an indication of the stage which had been reached in considering them. The discussion on the substance of the problem could be resumed after the Ministerial Meeting. Apart from the Turkish Representative, nobody supported this particular proposal and the Committee proceeded instead to consider which amendments might satisfy the United States Representative and make it possible for him to support the Secretariat paper.

8. After some discussion, it appeared that the United States Representative was concerned with the mandatory character of some of the recommendations which he felt might not be equally applicable in all member countries. Finally, he agreed that if the word "should" in sections (a) and (b) of paragraph 3 (ii) of the Secretariat Note could be replaced by the word "might" he would withdraw his objections. This was readily accepted and with this slight amendment the Secretariat paper was unanimously approved.

9. The Committee agreed that the Secretariat Note should be submitted to the Council under a covering note pointing out that:

(a) the proposals embodied in the Secretariat Note represented the largest degree of agreement which could be reached at this time on this subject;

(b) approval by the Council of these proposals would not, in any way, be an obstacle to the consideration later on of the Norwegian or of other more far-reaching proposals.

This Note, it was agreed, would be drafted by the Chairman and the Secretary of the Committee in consultation with the Norwegian Representative.

10. These agreed proposals will be considered by the Council at the meeting on December 2. In view of your telegram No. 850 of November 21, no further instructions are required.

. . .

L.D. WILGRESS

528. DEA/10548-BJ-40

La délégation au Conseil de l'Atlantique Nord
au sous-secrétaire d'État aux Affaires extérieures

Delegation to North Atlantic Council
to Under-Secretary of State for External Affairs

LETTER NO. 3913 Paris, December 2, 1953

CONFIDENTIAL

COUNCIL MEETING ON DECEMBER 2, 1953 — ITEM IV:
RELATIONS BETWEEN PARLIAMENTARIANS AND NATO

Reference: Our letter No. 3839 of November 27, 1953.

At the invitation of the Secretary General I read the attached statement to introduce the report of the Committee on Information and Cultural Relations (C-M(53)158).

2. The Netherlands Representative said that while, at first, his Government had had very serious reservations as to the desirability of allowing the NATO Council to take the initiative of convening meetings of Parliamentarians in Paris, after consideration they had reached the conclusion that this would be a desirable development and that it did not involve very serious constitutional implications as was feared by some delegations; he expressed the hope that later on it might be possible to take further steps to develop closer relations between Parliamentarians and NATO. In the meantime, it was thought that the Report might be strengthened somewhat if in paragraph 3(ii), sections (a) and (b), the word "should" could be substituted for the word "might". There was some discussion on this point. The Portuguese and the US Representatives argued that as the Report was not mandatory on governments and parliaments, there seemed to be little advantage in effecting the change suggested. In the end, it was agreed that as governments were fully protected by the general understanding as regards the purely hortatory character of the recommendations, the commitments involved would not be increased if the amendment suggested by the Netherlands Representative was accepted.

3. In the course of the discussion the Representatives from Denmark and Belgium supported the Netherlands Representative in expressing the hope that it might be possible, later on, to consider somewhat more ambitious schemes in this field.

4. The UK Representative made the very interesting and useful point that when Parliamentarians from member countries came to Paris, the opportunity should be taken of advising them on the part played by the OEEC in the economic side of NATO operations.

5. Subject to the slight amendment suggested by the Netherlands Representative the Council approved the Report of the Committee.

L.D. WILGRESS

[PIÈCE JOINTE/ENCLOSURE]

STATEMENT TO BE MADE BY MR. WILGRESS AT
THE COUNCIL MEETING ON DECEMBER 2

As the Council is aware, the subject now before us has been carefully considered by the Committee on Information and Cultural Relations during a number of meetings.

In the course of the discussion, it appeared that the choice was really between three basic sets of proposals:

(a) A Conference of Parliamentarians from all the member countries, called at the initiative of the Council, informative in character and without consultative powers;

(b) The setting-up of groups of pro-NATO Parliamentarians in member countries interested in NATO on the understanding that these groups would be encouraged to establish contacts between themselves and that assistance would be provided by NATO if they decided to meet in Paris;

(c) Tours and visits for Parliamentarians arranged either by governments or by NATO to the Headquarters in Paris and to one or more member countries.

After further discussions, it became clear that proposals (b) (voluntary groups) and (c) (visits) could be combined and that while some delegations were prepared to accept the idea of a NATO – sponsored Conference many other delegations were not prepared at this time to follow them and unanimity could only be reached on more modest proposals combining the two other more limited schemes, as you will find them in the report which has now been approved by the Committee.

I should perhaps also draw attention to two particular points.

First, the recommendations in the report of the Committee are not mandatory for Governments or Parliaments of the Member Countries. It is hoped naturally that, whenever possible, they will attempt to carry out these proposals but we must recognize that conditions differ widely from country to country and that Governments must retain the right to decide when, and if so how action can be taken in this particular field. What is important is that Member Governments should recognize the importance of promoting with the assistance of Parliamentarians further interest in NATO. Once there is agreement on this point, they can be left to decide how best this can be achieved in their own country and the recommendations which are now submitted to them provide merely indications as to which schemes have seemed to us to be generally acceptable and suitable for this purpose.

The other point I wish to make is that the report now before you embodies the maximum degree of agreement which could be reached at this time on the subject. Some delegations were prepared to go further and they accepted in the end more modest proposals for the sake of reaching a common solution; but, as is quite proper, they only accepted them on the understanding that the door would be kept open and that later on they could suggest perhaps more ambitious schemes. It is wise not to consider that these agreed proposals represent all that can be done to stimulate Parliamentary interest in NATO. Later on, perhaps as a result of the operation of the schemes which are now recommended, conditions may be different and member governments may be prepared to take another step. Here again, we are

agreed as to the objective and as to the method. We are all determined to increase support for our Organization and we are determined to work together on the largest possible basis which can be found among us to achieve this aim.

6e PARTIE/PART 6

COMMUNAUTÉ EUROPÉENNE DE DÉFENSE
EUROPEAN DEFENCE COMMUNITY

529. DEA/50172-40

Rapport d'une réunion

Report of a Meeting

TOP SECRET [Ottawa], January 20, 1953

TO DISCUSS THE QUESTION OF A CLOSER ASSOCIATION OF THE UNITED KINGDOM WITH THE EUROPEAN DEFENCE COMMUNITY

Present:

Mr. L.D. Wilgress, Under-Secretary of State for External Affairs — Chairman
Mr. C.M. Drury, Deputy Minister, Dept. of National Defence
Lt.-Gen. Foulkes, Chairman, Chiefs of Staff
Lt.-Gen. Simonds, Chief of the General Staff
Air Vice-Marshal Miller, Vice-Chief of the Air Staff
Mr. C.S.A. Ritchie, Deputy Under-Secretary of State for External Affairs
Mr. R. Duder, Dept. of External Affairs — Secretary

Mr. Wilgress opened the meeting with a reference to the difficult political situation created by M. Mayer's recent declaration concerning the need to revise the EDC Treaty. This situation had eased somewhat and recent messages from Washington and Paris indicated that the French intend to submit the EDC Treaty to the National Assembly for ratification, and to begin negotiations for additional protocols which would ensure a liberal interpretation of the provision of the EDC Treaty which requires the authority of SHAPE for the withdrawal of French troops from the European Army for service in North Africa and elsewhere. The aim of this modification would be to guard "the integrity and unity of the French Army and the French Union". It was also their intention to endeavour to obtain closer United Kingdom association with the European Army. Mr. Wilgress outlined the talks which he, Mr. Claxton and General Foulkes had had with leading European and American personalities during their recent visit to Europe on this question of the participation of British forces in the European Army.

2. There was now a more hopeful feeling in Europe concerning the new French approach to the European Defence Community. The Department of External Affairs has been looking at the political issues involved and has concluded that it would be most inappropriate for Canada to make any approach to the United Kingdom on the question of closer British association with the European Army. Moreover, there was no indication at present that the Americans had decided to make such an approach and there might be disadvantages to their doing so in view of the reac-

tion in Europe to Senator Wiley's[27] recent statement on American aid and European integration.

3. It is clear that there will have to be negotiations for an additional protocol or protocols to the EDC Treaty. This may mean that the Germans, as well as the French, and possibly others, e.g. the Belgians, will make fresh demands. In this new situation, Mr. Wilgress distinguished three possible developments in order of probability:

(a) Ratification of the EDC Treaty plus negotiation of the additional protocol(s);

(b) Some participation of British forces in the European Army;

(c) A contribution of Canadian and United States forces to the European Army.

It was agreed to discuss the political and military considerations bound up with these possible developments.

4. General Foulkes said that Field Marshal Montgomery was of the opinion that from the military point of view, the Germans are bound to dominate the European Defence Community because of the lack of French leadership. Hence there was a need for a contribution to the European Army from the United Kingdom and from the United States. General Foulkes thought that the United Kingdom Government was likely to ask us before very long what our attitude, as a Commonwealth country, would be to United Kingdom participation in the European Army. General Simonds thought that Field Marshal Montgomery's solution could be nothing but a temporary one, but that German dominance of the EDC might be postponed by British participation in the European Army provided that the Americans were willing to agree that their forces would remain in Germany so long as United Kingdom participation in the EDC continued.

5. There was general agreement that the simplest solution militarily would be German membership in NATO but it was clear that the French would not accept this. On the other hand, the United Kingdom, even if from a military point of view it could accept British participation in the European Army, would never agree to an association leading to a federation. If they did come in they would try to loosen the federal ties of the EDC Treaty. This, in turn, would give the Belgians and others an opportunity, which they would welcome, to water down the EDC concept. Hence, the only association which would be possible for the British would be one which did not involve full participation in the constitutional superstructure of the EDC. It was agreed that a contribution of American, British or Canadian corps commanders, unless it arose logically as a result of a contribution of troops to the EDC, was not possible since this would offend the national pride of both the Germans and the French. Some consideration was given to the possibility of the British having observer's status or associate membership in the higher institutions of the European Defence Community, but there was no general agreement that this was a workable solution.

---

[27] Alexander Wiley, sénateur républicain du Wisconsin, président de la Commission des relations étrangères du Sénat.
Senator Alexander Wiley (R.-Wisconsin), Chairman, Senate Foreign Relations Committee.

6. In the particular matter of a Canadian contribution to the EDC, it was agreed that we could only go as far as the Americans. Although, militarily speaking, Canada could go into the EDC, since Canadians have to fight under other than national commanders in any case, it was thought that the Canadian people would not want their troops in a European Army unless United States troops were also included in that Army. It was also suggested that the Europeans might not welcome American, or perhaps even Canadian, participation as this might undermine the whole concept of specifically European integration.

7. Summing up, General Foulkes said that the military side of the question of US or Canadian participation in the European Defence Community would not be too difficult to overcome, but the political issues involved were not easy to solve. He gave as his opinion that if the EDC fell apart, this might well mean the end of NATO.

8. After considerable discussion, it was agreed that Canada should not offer advice to the United Kingdom on this difficult problem but that we must be prepared to answer questions which might be put to us by the United Kingdom. The meeting closed with a discussion of possible questions and suggested answers as follows:

(1) — Q. Would Canada have any objections to the United Kingdom participating in the European Defence Community?

A. No, if such participation is considered a sine qua non of obtaining German rearmament without which no forward defence of Europe is possible.

(2) — Q. Is Canada willing to participate in the European Defence Community?

A. The people of Canada would not agree to this unless the United States were also to come in.

(3) — Q. If the United Kingdom and the United States came into the European Army, would Canada join?

A. In all probability, yes. We should have no grounds for staying out.

Question (1) above might be put somewhat as follows: "We are considering the grouping of part or the whole of the British Army of the Rhine within the European Army. This raises the question of the disposition of the Canadian Brigade. What are your views?" In this case, our answer would be that we should have to consider whether or not to change our affiliation with the BAOR to one with the United States Army in Europe. It was agreed that it was highly improbable that the United Kingdom would ever contemplate putting the whole of the BAOR into the EDC.

9. It was agreed that Canada must resist any attempt to put Canadians into a common uniform and to subject them to the conditions of pay, etc., planned for the European Army. The Americans and probably the British would have the same objections.

R. DUDER

530. DEA/50172-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], January 26, 1953

EUROPEAN DEFENCE COMMUNITY DEVELOPMENTS

M. de Laboulaye[28] called to see Mr. Ritchie this morning. In the course of conversation, he remarked that the French Embassy in Washington had received some indications of thinking in official quarters there with regard to the future of the EDC. M. de Laboulaye said that M. Bonnet[29] considered that these might be the views of General Eisenhower on the subject although Mr. Ritchie gathered that the French Ambassador had not discussed the subject directly with the President. According to these French reports, President Eisenhower is anxious that there should be no diminution of French Forces in Indo-China in 1953. Under existing French plans, it was intended to bring back 20,000 French soldiers from Indo-China in the course of the present year, leaving the French military contribution in Indo-China in terms of personnel at 165,000 men at the end of 1953. American thinking, however, was now more and more emphatic in its emphasis on the importance of Indo-China. It was the view in Washington that an all-out campaign in Indo-China might push the Viet Min Forces back to the Chinese frontier and make it possible to proceed with the development of Viet Namese political institutions and a Viet Nam Army. This would certainly require increased American support, military and economic, but not in the form of American military personnel as the presence of American Forces in Indo-China might, in the American view, lead the Peking Government to enter the struggle in Indo-China directly by means of Korean-style Chinese Communist "volunteers".

2. According to these reports, General Eisenhower completely understood the close connection between the continued presence of French Forces in Indo-China and the fate of the EDC. He was reported to be well aware of French fears that the latter Organization might come to be dominated by the Germans while the French were making their contribution in Indo-China. General Eisenhower was fully aware also of the undesirability of the creation of a German National Army. In these circumstances, the Americans were contemplating some kind of guarantee to France which would allow her to undertake a renewed offensive in Indo-China without being hampered by the fear of German dominance in Europe. They were contemplating the possibility of suggesting the association of British, American and perhaps Canadian forces with the EDC. Mr. Ritchie enquired how far American think-

[28] François de Laboulaye, conseiller, ambassade de France.
François de Laboulaye, Counsellor, Embassy of France.

[29] Henri Bonnet, ambassadeur de France aux États-Unis.
Henri Bonnet, Ambassador of France in United States.

ing on this subject had gone and at what level. M. de Laboulaye was somewhat vague in his reply. He said that what was under consideration was the guarantee to France of a straight military contribution. There would be no association of the United States or the United Kingdom with the political and quasi-federal superstructure of the European Defence Community. Mr. Ritchie enquired whether such a development might not lead the European adherents of the EDC to believe that the whole show was being taken over by the Americans and hence to diminish support for European federation. M. de Laboulaye did not think that this would be the case. He contemplated a situation in which the development of the federal political institutions of Europe would be a slow process, extending over a period of say five years. Meanwhile, to fill the immediate situation caused by the need for a renewed French military effort in Indo-China and the danger of German domination in the EDC, American, British and possibly Canadian Forces might be associated with the EDC.

3. Mr. Ritchie asked how such a development would be viewed in Germany, particularly if the German Socialists were successful in the forthcoming German elections in October. M. de Laboulaye replied that he thought, on the basis of reports from M. François-Poncet,[30] that the German Socialists would be more opposed to the political aspects of the EDC which they might regard in terms of the Schuman-Adenauer period of collaboration than to the presence of British and American Forces in the EDC and that they would in fact welcome the latter development.

4. M. de Laboulaye said that when M. Mayer came to Washington in February, he would probably be accompanied by M. Bidault. He hoped that M. Mayer would come to Ottawa. M. Mayer would be discussing in Washington (a) aid for Indo-China, and (b) the future of the EDC.

5. Mr. Ritchie did not comment on the possibility mentioned by M. de Laboulaye that Canadian Forces might join those of the United States and the United Kingdom in association with the EDC.

6. Incidentally, M. de Laboulaye said that he had heard of the support which Mr. Claxton had given to American thinking in support of British and American military contributions to the EDC. He referred in this connection to Mr. Claxton's conversations with Mr. Draper in Paris. He thought that this Canadian initiative might have played its part in the present development of American thinking. Mr. Ritchie said that he had not himself been present during these conversations but he thought that M. de Laboulaye might have an exaggerated idea of the initiative taken by Canada. He understood that the discussion had been very informal nor had we had any confirmation from Washington of the developments in American thinking which he had mentioned.

7. As you may recall, I mentioned to you recently that I had had an informal meeting with General Foulkes, General Simonds, Mr. Drury and A.V.M. Miller to discuss the possibilities of American, British or possibly Canadian military associa-

[30] André François-Poncet, haut-commissaire de France en Allemagne.
André François-Poncet, High Commissioner of France for Germany.

tion with the EDC. I shall be sending to you shortly a memorandum of these conversations.[31]

L.D. W[ILGRESS]

531. DEA/50172-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

TOP SECRET [Ottawa], February 6, 1953

UNITED KINGDOM ASSOCIATION WITH THE EUROPEAN DEFENCE COMMUNITY

I refer to my memorandum to you of January 26th on EDC developments. You will remember that you pencilled on the memorandum a request for a note on Canada's possible association with the EDC. This subject came into the discussion of the problem of a possible closer association of the UK with the EDC which took place in my office on January 20th between Mr. Drury, General Foulkes, General Simonds, Air Vice-Marshal Miller, Mr. Ritchie and myself. I attach a copy of the notes which were made of that meeting.[32] These were circulated for comments to all those who had attended the meeting and the last reply has just been received.

2. The only comment made was one by General Simonds which reads as follows:

"No reference has been made to one point which I made in the course of the meeting, and I think it an important one. I refer to the question of the changed position of a Canadian Commander if he is serving in EDC as opposed to serving under our existing arrangements. It is true that there appears to be little difference between the two, but in fact under present arrangements a Canadian Commander has direct communication with me and the right to protest through me to his Government if necessary, if he considers he is called upon to take action which he regards as militarily or politically undesirable from a Canadian point of view. This right of appeal is known to all superior commanders under whom he serves and ensures due consideration is given to both sound military and national factors. It appears to me that in the proposed constitution of the EDC the right of appeal of a national commander to his own Government is removed."

3. On February 4th the UK Delegation to the Interim Commission of the EDC circulated to other members of the Commission a memorandum on military association between the United Kingdom and the European Defence Community. We have not yet received this memorandum but a copy of the accompanying note was

[31] Notre copie du document porte l'annotation suivante: The following notes were written on this copy of the document: See instructions of the Minister on Page 3. W[ilgress]

I would like a note on Canada's possible association with EDC; and what initiative, *if any*, we could usefully take in this matter. While we have been thinking that any move in this direction might be unwise, such moves are apparently being taken. L.B. P [earson]

[32] Le document 529./Document 529.

sent to us by Mr. Heeney. This you will have seen but I am attaching a copy of it for ready reference.† It is interesting to note that the UK Delegation expresses the desire that close military relations between the UK forces and those of the EDC will also be reflected "in close relationship between the UK and the military and political institutions of the EDC". Our latest information from our Embassy in Paris is that at the official level the Quai d'Orsay is not convinced that the French Deputies will consider the British suggestions satisfactory since they mainly concern technical collaboration and the National Assembly will want the additional protocols to the EDC, which M. Mayer has promised to negotiate, to be accompanied by additional British guarantees, not only technical but also political.

C.S.A. R[ITCHIE]
for
L.D. W[ilgress]

532. DEA/50172-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], February 17, 1953

EDC: ADDITIONAL GUARANTEES TO FRANCE[33]

Last week there were press reports that the French were asking an extension of the duration of the North Atlantic Treaty from twenty years to fifty years which is the term of the EDC Treaty. We have not had anything from official sources to this effect. If such an extension were seriously contemplated, it would, of course, have a definite bearing on Canada's commitments, both as a member of NATO and as a signatory to the NATO–EDC protocol. What Canada would be faced with in such circumstances would be an extension to the end of the twentieth century of the potential period during which we would be expected to maintain forces in Europe. A telegram was sent to our Embassies in Washington and Paris and our Delegation to the North Atlantic Council on February 14 asking them to send immediately whatever information they could obtain informally on this matter.

2. However, this alleged proposal to extend the life of the North Atlantic Treaty may have been dropped in favour of a move by France to persuade the United Kingdom and the United States Governments to extend the tripartite guarantee of the EDC, signed by them and by France at Paris on May 27, 1952, from twenty to fifty years. Such, at any rate, is the report which appeared in the *New York Times* of Sunday, February 15. According to this story, the British Government, as a result of the recent London talks between Messrs. Mayer and Bidault and Messrs. Churchill and Eden, are prepared to consult the United States Government regarding an extension of the tripartite guarantee for the full term of the EDC Treaty. This exten-

[33] Voir aussi le document 480./See also Document 480.

sion would, it is reported, allay French fears that Germany might, in time, dominate the European Defence Community or even leave it to pursue her own national ends.

3. The *New York Times* story, which is datelined London, February 14, suggests that the United Kingdom, although unwilling to join in any supra-national political community, would be willing to associate herself more closely with a unified Europe "provided that the United States and Canada go along with her in developing the interdependence of British, Canadian and American forces".

4. You will remember that on February 13, Mr. Diefenbaker, referring to France's fear of a restored German national army, suggested that Canada could give a lead in calming French fears by asking the nations who have signed the North Atlantic Treaty, "to give France the assurance that Canada will join with Britain in supporting the extension of the NATO Charter from twenty years to fifty years so that it will coincide with the period of the European Defence Treaty".

5. There are thus two suggested courses of action, on neither of which we have as yet official information. These are:

(a) the extension of the North Atlantic Treaty from twenty to fifty years;

(b) the extension of the tripartite declaration from twenty to fifty years.

6. The first of these would require consultation between the 14–member nations of NATO and, as far as each nation is concerned, it would also, no doubt, require the equivalent of a Cabinet policy decision. In several countries, including Canada, it would require parliamentary approval. Since, however, the matter has been raised in the House, you may wish to make some reference to it in winding up the debate. If you decide to do this, you may wish to use the attached statement. (Appendix A†)[34]

7. The second course of action concerns primarily the United Kingdom, the United States and the French governments. Canada is, of course, not a signatory to the tripartite declaration and would not, therefore, either be legally committed by its extension or necessarily consulted about it. The declaration itself does not specifically mention the number of years the guarantee will be in force but it has such clear reference to the obligations under the North Atlantic Treaty that there can be little doubt that with the cessation of that Treaty, the United Kingdom and United States Governments would no longer be legally bound by the tripartite declaration. It should, perhaps, be mentioned here that Article 13 of the North Atlantic Treaty reads: "After the Treaty has been enforced for twenty years, any Party may cease to be a party one year after its notice of denunciation has been given to the Government of the United States of America which would inform the Governments of the other Parties of the deposit of each notice of denunciation". In other words, the Treaty need not automatically come to an end after it has been in force for twenty years.

---

[34] Pearson parla de ceci le 16 février 1953. Voir Canada, *Débats de la Chambre des Communes*, session 1952-1953, 16 février, p. 2110.
Pearson discussed this on February 16, 1953. See Canada, House of Commons, *Debates*, Session 1952-1953, February 16, p. 1992.

8. Bearing these considerations in mind, it appears to us that Canada should not at this stage take any initiative on either of the two proposals considered in this memorandum. We are not a party to the present negotiations concerned with making the EDC Treaty more palatable to the French people, and we did not sign the tripartite declaration. Our commitment is to NATO, and any consideration of the extension of the life of that Treaty should be taken up, in the first instance, inside the North Atlantic Council. As far as the extension of the tripartite declaration is concerned, we should, in my opinion, wait to be asked for an expression of our views.

9. As requested by you, a quick check was made and revealed no evidence that the Canadian Government has ever told anyone that Canada would either approve or oppose an extension of the life of the North Atlantic Treaty.

L.D. W[ILGRESS]

7e PARTIE/PART 7

SÉCURITÉ DANS LE PACIFIQUE
PACIFIC SECURITY

533. DEA/50030-P-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 40 Paris, January 19, 1953

CONFIDENTIAL

CONTACT BETWEEN NATO AND FRIENDLY COUNTRIES

Reference: Our telegram No. 39 of January 19.†

This is the second subject upon which the Secretary-General has invited informal preliminary discussion by the council. It also may be taken up at the informal meeting later this week (January 21).

2. This is the question of machinery or methods of contact between NATO and countries or groups of countries which might be expected to range themselves alongside us in the event of aggression. In the brief note which Ismay has circulated he draws attention to the fact that there is now no machinery for the co-ordination of plans with these countries. "In other words", the note goes on, "we are trying to consider strategy and foreign policy too in water-tight compartments".

3. We have already encountered this problem particularly with Australia and we have in Ottawa and in Paris done something quite informally to let them know how things have been going with NATO. The ANZUS treaty has, I suppose, done something to allay the apprehensions of Australia and New Zealand. But there are other countries in a somewhat similar position and even the other Commonwealth coun-

tries are very far from participating in joint planning with the NATO countries. And then there is the special case of Yugoslavia.

4. One cannot help sympathizing with the position of these countries who will inevitably be involved but can have no part in plans which are bound to affect them. Nevertheless, it is very difficult to see what can be done at this stage, on a NATO basis, even to inform these countries of what is being planned.

5. My disposition therefore is to lie pretty low on this one; certainly not to initiate any proposals. At the same time I feel that we should back up any suggestions which would increase support for the alliance amongst friendly non-NATO countries, particularly in the Commonwealth. My feeling is that we will have to go pretty slowly and cautiously and probably on an ad hoc basis in dealing with this problem.

6. We would appreciate any comments that you may wish to make.

534. DEA/50030-P-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM 74 Ottawa, January 27, 1953

CONTACT BETWEEN NATO AND FRIENDLY COUNTRIES

Reference: Your telegram No. 40 of January 19.

Following from Under-Secretary, Begins: This is a delicate and complex problem, and I agree with you that we must proceed with caution. We should avoid measures that would tend to commit us to an expansion of the present regional confines of NATO. On the other hand, it would be in the mutual interest that NATO should be informed as far as practicable of what friendly countries are planning, and *vice versa*.

2. The Minister feels that Australia and New Zealand should be given special consideration in this connection and that we might again discuss with the United States the possibility of providing the necessary contact. It is true that our previous suggestion in this regard was rejected by the State Department (my letter No. D-213 of October 3, 1952).[35] It remains to be seen whether the firm opposition of the outgoing United States Administration to any link between NATO and ANZUS will be maintained by the present Administration. I would hope that this would not prove to be the case and that we might look to some form of association between the two organizations, perhaps even a joint NATO–ANZUS session.

3. I should be grateful for any comments on this suggestion, which I should emphasize is still only at a most preliminary stage. Ends.

[35] Le volume 18, document 497.
Volume 18, Document 497.

535. DEA/50030-P-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

DESPATCH 258 Paris, January 29, 1953

CONFIDENTIAL

INFORMAL COUNCIL MEETING ON JANUARY 28 — CONTACT BETWEEN NATO AND FRIENDLY COUNTRIES

Reference: Our telegram No. 40 of January 19, 1953.

Lord Ismay opened the discussion on this subject, suggesting that it might be useful for the Council to decide in this regard whether, for instance if there was to be a Middle East Defence Organization, it would have anything to do with NATO and also, whether NATO should have some contact with ANZUS. He did not expect, of course, that final conclusions could be reached in the course of the meeting. He merely wished to invite the Permanent Representatives and their respective Governments to consider the problem so that a fuller discussion might be held later on in about a month.

2. The United Kingdom Representative said that as his country belonged to a number of regional organizations they had to bear in mind constantly the relationship of NATO plans to the interests of other friendly groups of nations. He wished to assure the Council that United Kingdom planning was developed on a broad basis and not in watertight compartments. In his view, however, it would be impractical to attempt to set up hard and fast liaison arrangements between NATO and regional groups which existed only for planning purposes in some cases and which did not have a central organization as yet.

3. I made the point outlined in paragraph 5 of my telegram under reference. This was a matter of some delicacy and, while the Council should be ready to discuss the problem, there was need to proceed very cautiously.

4. I should appreciate receiving your comments and guidance in this matter which will come up again for discussion later in February or early in March.

A.D.P. HEENEY

536. DEA/50030-P-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

DESPATCH 325 Paris, February 5, 1953

SECRET

CONTACT BETWEEN NATO AND FRIENDLY COUNTRIES

Reference: Your telegram No. 74 of January 27, 1953.

The Under-Secretary's telegram under reference is interesting, particularly in relation to the problem of preparing for the Ministers' Meeting of April 23. In the latter connection we share the concern expressed in para. 3 of your telegram No. 75 of January 27.[36] As you will see from our telegram No. 85 of February 3,† the Working Group on the Agenda have so far produced little which is likely to raise the April meeting above the level of that held in December. Indeed, unless the EDC process moves faster than is generally expected, we run the risk of its having less intrinsic importance because the 1952 Annual Review will not be very new or very stimulating.

2. For these reasons, and despite our initial caution, we were attracted by the idea of trying to make progress between now and April toward the solution of this delicate problem. Apart from the importance of the issue itself, the idea of the wider association of NATO with free nations in other parts of the world is one to appeal to public imagination. We recognized, however, that if the matter were to be raised we would have to consider very carefully how this should be done, since the very preliminary reactions at the informal meeting of the Council on January 21 (when the Secretary General's paper came before us) had indicated a good deal of reserve on the part of my colleagues.

3. The arguments in favour of raising the problem seem to us to be, principally and very briefly, somewhat as follows:

(a) We all know that there are a number of friendly countries, notably Australia and New Zealand, who would be involved immediately "on our side" in the event

[36] Ce paragraphe exprimait l'inquiétude que suscitait "l'opinion largement répandue à l'étranger, selon laquelle l'OTAN était en perte de vitesse". Il appuyait aussi la proposition du secrétaire général qui souhaitait que le Conseil "reconnaisse que la question des rapports de l'OTAN avec les États qui, tout en n'étant pas membres de l'Organisation, étaient aussi engagés dans la lutte contre l'impérialisme soviétique", constituait "l'un des facteurs qui pourraient avoir les plus graves conséquences" sur l'avenir de l'OTAN.
This paragraph expressed concern about "the widespread belief abroad that NATO is losing momentum". It also endorsed the Secretary-General's proposal that the Council "consider the relationship of NATO to non-member states which are also involved in the struggle against Soviet imperialism" as "one of the most important" questions bearing on NATO's future.

of war; this gives them a *prima facie* right to participate (and NATO a *prima facie* interest in having them participate) in the planning and preparation of our defences.

(b) NATO is having, increasingly, to take account of "global" factors in its planning; the present organization is unsatisfactory in this respect for we are inhibited in the NATO bodies from anything but spasmodic and uncertain contact with other areas of major strategic importance (see our despatch No. 117 of January 13).†

(c) At the present time Australia is almost certainly the most important non-NATO country with which some regular contact is desirable and might be feasible; this contact might be accomplished with least difficulty by some form of NATO–ANZUS association; for this a pretty logical case might be made.

(d) The Commonwealth connection is itself an important NATO asset; the continued lack of association of certain Commonwealth countries with the Organization may tend to lessen the value of this asset.

4. The principal arguments against moving at this stage to broaden the NATO association seem to us, again very briefly, to be these:

(a) It would provide further provocation to the USSR, that is to say the Russians might genuinely take such an extension of our arrangements as confirming their conviction of Western encirclement, or at any rate, they could be counted upon to use this argument in their political warfare.

(b) The effect on friendly "neutral" countries, and particularly on Asian opinion might be bad; this would be especially true of India, which recently has been tending a bit in our direction; they might well be pushed further off by any incursion of NATO into the Pacific. And what would be the views of the other Asian candidates for ANZUS who could not of course be included in any NATO arrangements?

(c) The UK Government are still in a pretty difficult political position internally in relation to ANZUS and, for that reason, might well resist any approach to ANZUS on the part of NATO.

(d) It is not unlikely that France, and perhaps some other NATO Governments, would resent special treatment for ANZUS (which means the Commonwealth), on the ground that other countries might equally claim special treatment.

(e) The practical argument for developing liaison with ANZUS may be applied in the case of individual countries, notably Yugoslavia and Spain; and of course to MEDO, if and when it comes into being.

5. If, on balance, it should be decided that the arguments in favour of establishing contact, let us say with ANZUS to begin with, outweigh those against, then the questions of method and timing become important. As regards the former, one might propose an informal liaison arrangement, presumably through the United States, because of its common membership in the two organizations. Later on, more formal exchanges and some measure of integration might be devised and agreed upon. As to timing, one of the difficulties (if we are thinking in terms of the April Meeting of Ministers) would be the present preoccupations of the US administration and their general unwillingness to commit themselves until their new house is set in order.

6. My own feeling is that, given the basic importance of the issue, we might explore the proposal informally and tentatively. But I should be inclined to make the first approach not to the United States but to the United Kingdom. On the whole, I would not be sanguine about our reception in that quarter and, indeed, I am disposed, reluctantly, to return to my original attitude of caution. In any event, I am afraid that the likelihood of advancing far enough with this matter to have Ministers discuss it profitably in April is not great.

A.D.P. HEENEY

537. DEA/50030-P-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], February 13, 1953

CONTACT BETWEEN NATO AND FRIENDLY COUNTRIES

You will recall that in telegram No. 74 of January 27th to CANAC, Paris, we asked for Mr. Heeney's comments on the suggestion that the time might be ripe to discuss again with the United States the question of some form of association between NATO and ANZUS; and that in telegram No. 75 of the same date,† you suggested that the relationship of NATO to other international defence organizations might be one of the more important questions of policy which could be discussed at the next Ministerial meeting of the Council. Copies of these two telegrams are attached for your convenience.

2. Mr. Heeney has now given us his comments in despatch No. 325 of February 5th, copy of which I attach. You will see that he agrees with the desirability, if possible, of adding substance to the agenda of the April meeting and that he finds considerable attraction in your ideas concerning contact between NATO and ANZUS. Having weighed the difficulties, however, he has returned to his initial attitude of caution and concludes that progress in this matter is unlikely to be sufficient to enable Ministers to discuss it profitably in April. The preliminary reactions of other Representatives, when the Secretary General raised the matter at an informal meeting of the Council recently, indicated a good deal of reserve. Moreover, even if it were considered that the advantages of establishing contact with ANZUS now outweighed the disadvantages, the present preoccupations of the United States Administration posed serious problems of method and timing.

3. In view of this, Mr. Heeney suggests that the first approach should perhaps be made to the United Kingdom rather than to the United States. I am inclined to agree, but wonder whether before asking Mr. Robertson to speak to anyone in London, it might not be better to suggest that Mr. Heeney sound out Lord Ismay on

whether a tentative approach along these lines in London would be opportune at this time. I should be grateful for your views.[37]

L.D. W[ILGRESS]

538. DEA/50030-P-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour la 1re Direction de liaison avec la Défense

Memorandum from Deputy Under-Secretary of State for External Affairs to Defence Liaison (1) Division

SECRET [Ottawa], February 19, 1953

Attached is the memorandum on "Contact Between NATO and Friendly Countries" with the Minister's comments suggesting that noncommittal approaches should be made to London and Washington on the subject of contacts between ANZUS and NATO. This raises some difficult problems. The Minister obviously is thinking in terms of establishing some links between NATO planning and planning in other areas in an attempt to fill the vacuum left by the absence of a global planning organization. In the second place, he is trying to find some way by which Canada can be associated, even if indirectly, with the Pacific area. These are pretty broad political objectives and will be difficult to realize in terms of existing international organizations. Moreover, they cannot be entirely divorced from the Minister's interest in our association with the proposed five-power agency for Southeast Asia planning.[38] For my own part, I do not think we shall see the reality of a global planning organization on a tripartite basis (United Kingdom, United States and France). It would not be a reality unless the United States were willing to discuss the extent and disposition of its atomic military resources. This they will not do. Meanwhile, the only real global planning organization would be the United States Chiefs of Staff.

2. The United Kingdom probably realized this state of affairs. That is why they are pressing for admission to ANZUS and trying to find a basis for a continuing five-power military planning organization with a political superstructure for the Southeast Asia area. They have not yet succeeded in either of these latter aims but it is possible that they may do so. Some approach to global planning might be reached in this way. The United Kingdom, France and the United States would thus be members both of the North Atlantic Council and of the five-power political and

---

[37] Notre copie du document porte l'annotation suivante:

The following notes were written on this copy of the document:

I think that we might make informal approaches on this matter to London *and* Washington — *before* sounding out Lord Ismay. They would, of course, be non-committal in character. L.B. P[earson]

See the Minister's comments. In view of UK sensitiveness about ANZUS I think London should be approached before we take up matter with Washington even informally. W [ilgress]

[38] L'organisme serait composé d'experts militaires des États-Unis, du Royaume-Uni, de France, d'Australie et de Nouvelle-Zélande.

The agency would consist of military experts from the United States, the United Kingdom, France, Australia and New Zealand.

military grouping (if this comes into existence). It is more likely that progress may be made along these lines than in the direction of a closer association of ANZUS and NATO. For one thing, the present membership of NATO includes so many European countries (e.g. Greece, Turkey, etc.) with no interest in Southeast Asia that one cannot imagine any close links developing between the two organizations. Perhaps the best that can be hoped for in the direction of increasing the knowledge of the North Atlantic Council with regard to global planning and strategy is a system of periodic briefing of the kind which General Bradley has told General Foulkes that he is willing to consider.

3. In the circumstances I doubt whether we shall get anywhere in London or Washington by raising the question of a closer NATO-ANZUS relationship.

4. It may be that we shall be better advised to try to get our foot in the door of the new five-power grouping. As you yourself have pointed out, this grouping is still at a very early stage and it may be nipped in the bud. A modest start could, however, be made by our being represented by an observer at the next five-power military meeting.

5. In addition, I should like to see this whole problem of Canada's association with global planning, our relationship to ANZUS and to any five-power grouping for Southeast Asia examined a good deal more carefully. A first step might be for the Under-Secretary, if he agreed, to call an informal meeting with General Foulkes and General Simonds to discuss the military aspects of the question, perhaps before Mr. Claxton is approached. It would also be valuable to have, in due course, the views of our High Commissioner in London and our Ambassador in Washington. We must move cautiously in this matter to avoid the appearance of entangling ourselves in new commitments. On the other hand, under the new United States Administration, the situation may evolve fairly rapidly and will want watching.

C.S.A. R[ITCHIE]

539. DEA/50030-P-40

Note de la 1re Direction de liaison avec la Défense pour le sous-secrétaire d'État aux Affaires extérieures[39]

Memorandum from Defence Liaison (1) Division to Under-Secretary of State for External Affairs[39]

SECRET [Ottawa], March 6, 1953

CONTACT BETWEEN NATO AND FRIENDLY COUNTRIES

I attach your memorandum to the Minister of February 13 on the possibility of developing some form of association between NATO and ANZUS. You will recall that the Minister suggested informal and non-committal approaches on this matter might be made to London and Washington. Your instructions subsequently were

---

[39] Notes marginales:/Marginal notes:
Not sent to Mr. Wilgress. [M. Wershof]
See Mr. Ritchie's memo of March 12. [M. Wershof]

that, in view of the United Kingdom sensitiveness about ANZUS, London should be approached before we took up matters with Washington even informally.

2. As you know, however, the question of associating Canada in some way with planning in the Pacific area has in the meantime arisen, particularly with reference to the proposed joint South-East Asian military staff agency. It is hoped shortly to obtain the views of the Acting Minister as to whether or not enquiries should be made in London and Washington to ascertain whether they would welcome participation of Canadian observers in the next meeting at which the possible creation of the staff agency will be discussed.

3. I am now inclined to think that it would be inadvisable to raise in London the question of association between NATO and ANZUS until it has been decided whether, and what form of, an approach is to be made with respect to five-power planning in South-East Asia. It is true that the two questions are not themselves directly connected. One concerns the interests of NATO as a whole, while the other concerns Canadian interests only; and they do not deal with exactly the same geographical region. On the other hand some of the same basic problems underlie both questions, particularly in relation to United Kingdom policy toward both questions and the delicacy of the United Kingdom position. It seems pretty clear that the United Kingdom regards the five-power planning body as an alternative (and at the moment more important) means of obtaining the objective it has so far failed to achieve through membership in ANZUS, namely an effective voice in strategic planning in the Pacific area, which the United Kingdom is, for understandable reasons, most anxious to obtain. Whether this planning is done in ANZUS or in the proposed five-power body, it is bound to have two important features in common:

(a) it will be dominated by the threat of expansion by Communist China; and

(b) the United States must take the major share in organizing any effective resistance to this expansion.

4. It also seems clear that the new United States administration recognizes these facts and is treating the proposals for a five-power planning body with great caution for precisely the same reason that the previous administration opposed United Kingdom membership in ANZUS. It has not yet made up its mind on the extent to which it wishes to share responsibility for strategic decisions in the Pacific area.

5. Both NATO interest in ANZUS planning and Canadian interest in five-power planning in South-East Asia touch on these twin problems of United Kingdom desire and United States reluctance to share responsibility in the Pacific area. For this reason United Kingdom views on associating ANZUS with NATO are likely to be affected by the progress made with the proposals for a five-power staff agency in South-East Asia. It may be, for instance, that the United Kingdom would feel that NATO-ANZUS association is in the present circumstances irrelevant, or worse, that it might actually jeopardize efforts to obtain United States agreement to the five-power staff agency. I therefore think that any approach we make in London on the NATO-ANZUS question should at least be consistent with, and take account of, whatever approach we make on the South-East Asian planning question.

6. I would recommend that we defer an approach in London on NATO-ANZUS association until it has been decided whether observer status at the next South-East

Asia meeting should be sought. If the Acting Minister approves an approach on the South-East Asia question, our approach in London on NATO-ANZUS association could then be synchronized with it. If you agree, you may wish to explain matters to the Minister.

M.H. W[ERSHOF]

540. DEA/50030-P-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour la 1re Direction de liaison avec la Défense

Memorandum from Deputy Under-Secretary of State for External Affairs to Defence Liaison (1) Division

SECRET [Ottawa], March 12, 1953

CONTACT BETWEEN NATO AND FRIENDLY COUNTRIES

The attached memorandum[40] has been rendered slightly out of date by the strong likelihood that Mr. Claxton will decide against our applying for observer status at the forthcoming five-power military talks in Honolulu.[41]

2. I quite agree with the argument in the memorandum that while the two questions of a NATO-ANZUS link and five-power planning in South-east Asia are not directly connected, the same basic problems underlie both questions. I am inclined to think that our next step might be to approach the United Kingdom Foreign Office on this whole general question of strategic planning in the Pacific area. Such an approach could be, as the Minister has said in his note, "non-committal in character". It could arise out of the enquiries we have recently been making regarding the five-power talks and while we could discuss with them the question of a NATO-ANZUS relationship, we should not advocate it, the more so as I think it increasingly unlikely that any such development will take place.

3. After this conversation in London and in the light of such information as might be gained there, we might have a similar conversation with the State Department in Washington in the course of which we could discuss the relationship between NATO and ANZUS in the same non-committal way we had done in London. We could also point out that while we were not interested in an observer status in the five-power talks in Honolulu because of their restricted agenda and their strictly military character, we were, of course, interested in the general question of strategic planning in the Pacific area and in the relationship of such planning to NATO. We might add that these questions had been aired in the House of Commons recently

[40] Note marginale:/Marginal note:
Memo of March 6 to Under-Secretary.

[41] Note marginale:/Marginal note:
He has since done so. C. R[itchie]

and call their attention to the Minister's remarks in reply to Mr. Green on this subject.[42]

C. R[ITCHIE]

541. DEA/50115-P-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

TOP SECRET [Ottawa], May 11, 1953

REGIONAL DEFENCE IN ASIA AND GLOBAL DEFENCE PROBLEMS[43]

Under cover of a memorandum of May 1,† Mr. Wilgress sent you an account, received from Canada House, of the conclusions reached by the Five Power meeting of Military Representatives on South East Asia held at Pearl Harbour in April. It had previously been agreed by yourself and Mr. Claxton that we should not seek observer status at this meeting since it was to be concerned with technical military matters in an area where there was no present intention of committing Canadian forces. However, the United Kingdom and United States authorities had been informed that, although we had decided not to seek an invitation to be represented by an observer at this meeting, we were extremely interested in the discussions and hoped to be informed of the results. Our missions in London and Washington indicated at the same time that we might wish later to discuss informally with the Foreign Office and the State Department respectively the wider implications of these South East Asia talks, particularly the prospects of establishing new consultative machinery or political groupings to consider the regional defence of any Pacific or Asian area.

2. In this connection we have still to consider what, if any, action may be desirable with respect to the development of some form of association between NATO and ANZUS. You suggested once before that informal and non-committal approaches on this matter might be made in London and Washington. Before this could be done, however, the question of associating Canada with South East Asia discussions arose and an approach on NATO-ANZUS association was deferred pending clarification of policy on this former question.

3. It may now be timely and appropriate to look again at both the question of NATO-ANZUS association and the question of Canadian interest in regional defence planning in Asia in the general context of global strategy and planning. Next to the security of the NATO area the security of the Pacific area has probably now

[42] Voir Canada, *Débats de la Chambre des Communes*, session 1952-1953, 11 février, pp. 1965-1968. See Canada, House of Commons, *Debates* , Session 1952-1953, February 11, pp. 1853-55.

[43] Note marginale:/Marginal note:

It may be of interest to you to have this before your visit to the Pacific Coast where these questions may be raised. C. R[itchie]

become the most urgent global defence problem. But whereas there is in NATO an agreed approach to the problem posed by the threat of Soviet aggression in Europe, there is as yet no general agreement on how the problem of defence in the Pacific area should be tackled. Moreover, in the absence of such agreement, it is difficult to deal effectively with the equally important problem of how to coordinate defence measures in the NATO area with whatever defence measures can be taken in the Pacific area.

4. The problem of defence in the Pacific area is complicated by the fact that there is at least a difference of emphasis, if not of kind, in the views of the various Pacific powers on the nature of the threat and how best to meet it. This is exemplified by the different ways in which these powers regard the roles of China and Japan. Communist China presents to the United States, the United Kingdom and France the main threat of expansion in this area, though only the United States has the military means of organizing effective resistance. But whereas the United States places emphasis on the threat to Japan and the Western Pacific, and regards Japan as the chief bulwark against this threat, the United Kingdom and France are more concerned with South East Asia and are less convinced of the reliability of Japan. To Australia and New Zealand, moreover, it is the recurrence of Japanese aggression that has been, at least until recently, the matter of most concern. ANZUS was established to meet this longer-term danger and is, therefore, unlikely to provide a suitable vehicle for wider strategy or planning concerned with Communist expansion. In the eyes of the other non-Communist states in South East Asia, however, both Communist China and Japan are only two of several important external factors of which they must take cautious account. They also regard with some measure of suspicion the policies and influence of the Western Powers, particularly when they take the form of military groupings. In fact, Communism represents to most of these newly independent Asian states a domestic political and economic threat rather than a foreign military threat, and they consider that it can be most effectively met by political and economic measures.

5. Until there is a common policy toward Communist China and Japan there appears to be little possibility of developing an overall strategy in the Pacific area acceptable to all the non-communist powers concerned. Nor has the United States so far shown any enthusiasm for sharing with these other powers real responsibility for the development of its own Pacific strategy. Rather, it has preferred to enter into separate arrangements with individual countries (Japan, the Philippines, Australia and New Zealand) on limited aspects of the overall problem and has reserved to itself the vital matter of the post-war development of Japan. The United Kingdom, on the other hand, is for understandable reasons most anxious to obtain an effective voice in Pacific strategy and planning and has apparently sought to achieve this objective, first through membership in ANZUS and more recently through proposals for a five-power staff agency in South East Asia. These twin problems of United Kingdom desire and United States reluctance to share responsibility in the Pacific area are bound to have an important bearing both on the question of associating NATO with strategy or planning in this area and on the form which Canadian interest in the area might take.

6. In order to put the problem of Pacific defence in the context of global defence, there are two further factors which I think should be considered. First is the fact that the United States alone among the Western Powers enjoys a virtual monopoly in global strategy and planning by reason of its military resources and its stockpile of atomic bombs. No relaxation of this monopoly is possible under the present atomic energy security legislation in the United States. Moreover, even in the absence of this legislative restriction the Administration might well be deterred from sharing with other powers the formulation of global planning, or even the discussion of global strategy, because it might inhibit the freedom of United States decision and action. Without full United States participation discussion of these problems in NATO, or in any other body that might be set up, would of course be purely academic.

7. The second factor that should be borne in mind is the difference in scope of the interests of world powers such as the United States, the United Kingdom and France and those of smaller countries. For example, the governments of the smaller countries which are parties to the North Atlantic Treaty have been able to convince their peoples of the need for sharing the burden of defending their particular region. It would be politically difficult, however, if not impossible, to make these same peoples realize that the problem of defending their own region is not merely a regional but a global problem. For this reason it would be difficult to obtain the agreement of the smaller NATO powers to participation by NATO itself in global planning. Such participation might result in their being asked to make greater defence efforts to provide, either directly or indirectly, for the security of some other region of the world in which they were not directly concerned.

8. On the basis of such considerations, it appears to be in the Canadian interest to attempt to maintain a distinction between global strategy (i.e. military policy) and global planning (i.e. the means of implementing the policy). The Standing Group should take into account global strategy in formulating NATO strategy, but if NATO itself undertook global planning, it might imply extension of our commitments beyond the NATO area. Participation in planning inevitably implies responsibility for carrying out the plans. If Canada or any of the other smaller countries participated in global planning, or if the regional organization to which we belonged participated in global planning, we could not very well refuse to contribute to the defence of another threatened region if so requested.

9. Three general conclusions may be drawn from these considerations:

(a) that only those Western Powers with world-wide interests (i.e. the Standing Group countries) are actually in a position, either politically or militarily, to undertake the commitments involved in global planning;

(b) that the rest of the countries in the free world must needs restrict their defensive planning to a regional basis; but

(c) that global strategy must be considered in each region if the regional planning undertaken is to be realistic.

10. It is clear that NATO must interest itself in global strategy, but equally clear that global planning in areas outside the North Atlantic would be outside the competence of NATO. One possible means of dealing with global planning would be to

establish something like a tripartite combined chiefs of staff. If such a body were set up it would undoubtedly be in the Canadian interest to be kept fully informed of all its decisions and conclusions and to participate in its discussions and decisions when they directly affected Canada. As you know, the United Kingdom authorities have already expressed themselves in favour of such a body, but the United States authorities have refused to accept anything of this nature in peacetime.

11. Another concept which need not involve the formal machinery of a global planning body would be a series of regional defence organizations (NATO, MEDO and one for the Pacific area) interlocked by the common membership in each of the United States, the United Kingdom and France. Global strategy could be discussed in each regional organization, with the three Standing Group countries taking the lead, while planning could continue to be carried on on a regional basis, with the three Standing Group countries providing the essential co-ordination.

12. In view of the difficulties outlined earlier, however, it seems most unlikely that either concept could be implemented in the near future. Progress in this direction would depend on: (a) United States willingness to discuss global strategy in NATO and to share at least with the United Kingdom (and if possible also France) its present monopoly in global planning; and (b) creation of effective regional defence organizations in the Pacific area and in the Middle East.

13. On the first point, the furthest the United States is apparently prepared to go at this time (as indicated informally by General Bradley to General Foulkes earlier this year) is to consider the possibility of the Chairman of the United States Joint Chiefs of Staff discussing periodically with the Military Committee and with the North Atlantic Council current global strategy and its implications for the NATO area, provided the approval of the National Security Council is obtained. On the second point it seems to me, as I have argued above, that in the Pacific area, where the requirement for regional and defence planning is perhaps the most urgent outside the NATO area, the chances of early creation of a formal organization for this purpose are rather slim. Much may depend on the way in which the experiment in military cooperation embarked on at Pearl Harbour develops further.

14. If you agree with this reasoning, I would suggest that the best course for us at this time is to keep as closely informed as possible of the development of US and UK policy on this matter, with a view to putting forward at the most appropriate time the views outlined in paras. 8-11 above. As a first step, I think we should try to obtain from the UK Foreign Office an indication of what their present thinking is on the problem of regional planning in the Pacific area and its association with NATO planning. Such an approach could be non-committal in character, designed not to put forward any particular proposals but to stress our interest in these problems and our desire to be kept informed. It would not be unexpected, since we have already intimated in London and Washington that we might wish to discuss informally the wider implications of the five-power talks on South East Asia. I would suggest, however, that this approach should not be limited to this or any other particular aspect of the problem. The question of NATO-ANZUS association could be discussed in this connection, but without emphasis, as it appears to be a decreasingly important aspect.

15. After such a conversation with the Foreign Office, and in the light of such information as we might obtain, we could have a similar non-committal conversation with the State Department in Washington on the same general subject. We could at that time point out that, while we had not sought observer status at the Pearl Harbour talks because of their restricted agenda, we had of course a general interest in the question of defence in the Pacific area and its relation to defence in the NATO area, and a very direct interest in such questions as the redeployment of forces from Korea.

C.S.A. R[ITCHIE]

542. DEA/50115-P-40

Note du sous-secrétaire d'État par intérim aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Acting Under-Secretary of State for External Affairs to Secretary of State for External Affairs

TOP SECRET [Ottawa], September 27, 1953

GLOBAL DEFENCE PROBLEMS

You will recall that you sent to Canada House under cover of Despatch No. 918 of June 11† a memorandum dated May 11 which had been prepared in the Department on the subject of regional defence in Asia and its relation to global defence problems. Attached for your convenience is a copy of this memorandum. You asked that a non-committal approach should be made to the Foreign Office to obtain an indication of their present thinking on this matter with the thought that a similar non-committal approach might be made to the State Department in Washington in the light of such information as Canada House was able to obtain.

We have now received a reply from London (their Despatch No. 1979, of September 11, copy of which is attached†) reporting on an informal talk which had been had with the Foreign Office official responsible for co-ordinating with the military authorities defence planning in Southeast Asia. It seems clear from this report that the United Kingdom authorities, because of the known attitude of the United States Administration, were not prepared to raise at this time either the theoretical problem of relating regional planning in the Pacific area to planning under NATO or the practical problem of creating some formal global planning body. The Foreign Office evidently prefers to see a solid basis of cooperation in military planning develop through such media as the Five-Power Staff Agency before raising political questions which might prove awkward. In the meantime, whatever global planning is undertaken is presumably undertaken separately in London and in Washington. In Mr. Robertson's view, the co-ordination of whatever decisions are taken in this field in London and in Washington is about the extent of what we can expect in the way of global planning in the present circumstances. He therefore thinks that it would not be wise to put forward at this time the views that we have formulated on a tentative basis in paragraphs 8-11 of the attached memorandum.

If you agree, however, I think there would be no harm in our asking the Embassy in Washington to have an informal word on this general subject with someone in the State Department.[44] The meeting of the Five-Power Staff Agency in Singapore this month could be used as an excuse.[45]

C.S.A. R[ITCHIE]

543. DEA/50030-P-3-40

Extrait de la note sur la rencontre entre le secrétaire d'État aux Affaires extérieures et le ministre des Affaires extérieures d'Australie

Extract from Memorandum of Meeting of Secretary of State for External Affairs with Minister of External Affairs of Australia

SECRET September 28, 1953

NATO AND ANZUS

Mr. Pearson said that Canadian participation in NATO and Australian participation in ANZUS have created a field in which our relations are not quite so intimate as in some others. He felt, however, that we could easily have a working relationship here which would be satisfactory to both countries. Both organizations serve the same basic purpose. We have told our NATO representative in Paris to be frank in providing his Australian colleague with full information about NATO developments of interest to Australia.

Mr. Casey said that, at the recent ANZUS meetings, Mr. Dulles made it clear that, while he hopes ultimately to see a broadly based security arrangement in the Pacific, the United States is still opposed to widening of ANZUS membership. If the United Kingdom were admitted, the Netherlands and France, and probably South Korea and the Philippines, would also seek admission. This, in Mr. Dulles' opinion, would made ANZUS much less effective. He had stated at the recent meetings that, if representatives of certain states had been present, he would have found it impossible to speak as frankly as he had about certain problems and about American policy with respect to these problems.

Asked if there were any signs of the five-power military planning group developing into a political association, Mr. Casey said that there are no signs of this at present, nor of any general security arrangement in the Pacific area. On the other hand, the five-power group, ANZUS and ANZAM all have a good deal in common on the planning side. The same military planners work to a considerable extent on all three.

[44] Note marginale:/Marginal note:
I agree. L.B. P[earson]

[45] On ne demandait pas de donner suite.
No follow-up action was indicated.

Mr. Pearson asked if co-ordinated planning between NATO and ANZUS had been discussed at the recent ANZUS meetings. Mr. Casey said that this had not been discussed and that the greater part of the meetings had been taken up with a systematic analysis of Asian trouble-spots by the Americans. These meetings and the semi-annual meetings of ANZUS planners at Pearl Harbour, give Australia an invaluable insight into conditions in various parts of the Pacific area, and the Council meetings themselves give a consecutive picture of American thinking on Asian questions which it would be impossible for the Australian Government to obtain otherwise.

Mr. Pearson remarked that it is always helpful to receive confidential information about United States views but that there is sometimes a disturbing discrepancy between these views and subsequent statements of policy in public. Turning to NATO, he said that the relatively large numbers attending NATO meetings make it difficult for the Americans and some others to be as frank in discussing sensitive matters of policy in this forum as they would like to be. A year or so ago some thought had been given to proposing a joint meeting of NATO and ANZUS but it was finally decided not to do this, as such a move might be misunderstood in some quarters.

8e PARTIE/PART 8

RÉUNION MINISTÉRIELLE DU CONSEIL DE L'ATLANTIQUE NORD PARIS, 14 – 16 DÉCEMBRE 1953
MINISTERIAL MEETING OF THE NORTH ATLANTIC COUNCIL PARIS, DECEMBER 14 – 16, 1953

544. DEA/50115-J-40

La délégation au Conseil de l'Atlantique Nord au sous-secrétaire d'État aux Affaires extérieures

Delegation to North Atlantic Council to Under-Secretary of State for External Affairs

LETTER NO. 4010 Paris, December 15, 1953

SECRET

MINISTERIAL MEETING OF THE COUNCIL — ITEM II: CONSIDERATION OF THE INTERNATIONAL POLITICAL SITUATION

The discussion of this item was initiated during the first session on Monday morning, December 14, and it lasted throughout the afternoon meeting. Nearly all Foreign Ministers made statements but as many complex questions were dealt with in full session, and no particular attempt was made by the Chairman to suggest an orderly procedure, the outcome of the discussion was not too satisfactory. In this report, we propose to summarize the points made as regards the major issues which were raised in the course of this discussion.

Trends of Soviet Policy

2. Mr. Eden thought that so far no real effort had been made by the Soviet Union to meet the Western Powers and that there had been no change in the basic hostility of the Soviet régime; its tactics had become more flexible, more intelligent. This change could be attributed to internal as well as external factors. No one could assess the full scope of the internal factors; much was hidden by the totalitarian character of the régime itself but a possible interpretation was that the Soviet Government preoccupied by a variety of domestic problems might be more ready than hitherto to restrain its activities on the international scene. In any case, NATO had achieved some success in building a deterrent against war; the danger of aggression by the USSR seemed less imminent. Morale in the West had improved and we were now almost within reach of our goal of not being compelled to negotiate from a position of weakness. In this connection tribute had to be paid to the United States for the aid given to build up European defence.

3. The Turkish Foreign Minister argued that the hopes raised by the prospect of a Four-Power meeting should not blind our judgment on the motives of Soviet leaders. If they had agreed to attend a meeting this was for tactical reasons and there was no indication that their basic attitude was changed or that they were prepared to accept the unification of Germany in freedom. Soviet armament was in fact increasing.

4. Mr. Dulles, in the morning session, made a long statement on Soviet policy. According to the best available estimates, there seemed to be no immediate likelihood of open armed attack by the USSR against the West. It was desirable, however, to bear in mind the causes of such a situation. The Soviet Government were confronted by a series of domestic or semi-domestic problems. There seemed to be a breakdown in their agricultural policy; there were considerable demands for more consumer goods and they could only be met at the expense of capital development. There was evidence of growing discontent in the satellite countries and the problem of relations with China seemed to be a source of preoccupation to Soviet leaders. Under such circumstances, only reckless judgment might induce Soviet leaders to declare war and there was no evidence of any such recklessness.

5. Soviet policy seemed, therefore, at the present state, mainly concerned with internal problems, with the maintenance of the status quo in disputed areas and with sowing dissension in the Western World.

As regards Germany, Soviet leaders had refused any opportunities for negotiation. Their note of November 3 was one of the most abrupt refusals to negotiate which had ever been transmitted by a government. They had, however, taken steps to counteract the adverse effects of their negative attitude and, in effect, reversed their position. This did not suggest so much a change of heart on their part as a concession to world public opinion; it could be expected that through various devices, even if they attended a Four-Power meeting, they would attempt to postpone a settlement.

On Korea, it was equally clear that the USSR had no desire to attend a political conference. They had taken the same attitude as regards the President's proposal on atomic energy; there seemed to be no inclination on their part to discuss specific

problems in a constructive fashion. World opinion compelled them to modify, for tactical reasons, their more extreme positions but there was no inner desire to seek solutions. Soviet leaders seemed to hope that they could settle internal problems while promoting disunity in the West and that, in the end, their relative position would be improved when the time came to resume a more active and possibly more aggressive international policy.

6. The Prime Minister of Italy agreed with Mr. Dulles. The prospect of a Four-Power meeting would be more encouraging if there was any indication that the USSR had a sincere desire to co-operate in finding a possible basis for co-existence. The only point which was clear, in his opinion, was that any more conciliatory attitude on the part of the USSR was due chiefly to the firmness and unity of the West.

7. Mr. Van Zeeland had never been of the opinion that the Soviet Union had decided to attack the West but he thought that the lack of balance between the forces of the West and those of the USSR had created risks of war. These risks were to some extent being reduced but the growing Soviet power in the atomic field was creating a different and no less serious danger. There were also risks of explosion in a number of points, Berlin, Korea, as long as the cold war continued. War might break out not as a result of deliberate calculation but by accident. While a number of things had not changed in the Soviet World, its objectives and principles, it was obvious that some changes had occurred, in the hierarchy, and in domestic policy, and Western diplomacy had to take any opportunity, however slight, to attempt to find a way to bring the cold war to an end.

8. The Greek Foreign Minister also welcomed Mr. Dulles' view that the danger of war seemed to be less immediate but he pointed out that subversive Soviet activities were continuing and that NATO countries had no choice but to strengthen their political relations and to reinforce their defensive organization.

9. The general conclusions which seemed to emerge from the discussion were the following:

(a) there has been no basic change in Soviet policy;

(b) while Soviet leaders seem to be preoccupied with internal problems and accept for tactical reasons to attend meetings, there is so far no evidence that they are prepared for negotiated settlements of the major issues or to weaken in their attempts to promote disunity in the West;

(c) there is less danger of an open armed aggression but the West must remain vigilant and continue to make every effort to bring the cold war to an end;

(d) the West must guard against the possibility that later on Soviet leaders may revert to a more aggressive policy having, in the meantime, overcome their more pressing internal difficulties and developed their atomic power.

Future NATO Policy

10. Mr. Eden spoke along expected lines as regards future NATO policy. There was no suggestion that NATO should relax but if an attack was not imminent the member countries had to prepare themselves for a long period of international tension and determine the level of forces which would provide an adequate deterrent

but yet could be maintained as long as was necessary. He thought that the following broad lines of policy stemmed from the above assumption:

(a) NATO countries had to keep in being, over a period of years, forces which would provide an effective deterrent to aggression;

(b) the quality of the forces in being should be improved so that they could provide a shield behind which reserves could be mobilized;

(c) the lead in new weapons and scientific defence should be maintained;

(d) provision should be made for a German contribution to the defence of the West.

Mr. Eden suggested that Lord Alexander would give, under Item V of the agenda, detailed indications as to how such broad policies could be put into effect.

11. Mr. Dulles accepted in effect Mr. Eden's suggestions but he made a number of additional points:

(a) NATO already had impressive forces at its disposal which would create serious problems for the aggressor;

(b) fellowship had been developed within the Organization and the habit of working together, as shown by the Annual Review and the International Secretariat was growing;

(c) NATO was more than a military organization and the United States Government favoured the development of the non-military aspects of the Organization — in fact, this was essential if NATO was to endure;

(d) NATO had to establish its military expenditures at a level consistent with social and economic progress; this was in effect and in itself a security measure;

(e) the United States stood ready to do its part in the task ahead; they were increasing their contribution to NATO security by strengthening North American defence in cooperation with Canada; they would increase the effectiveness of NATO forces with new and better weapons; they would continue to make a financial and material contribution to European forces (although it was hoped that this would decrease as European economic strength increased); the President was seeking authority to make additional information available to NATO authorities as regards the effect of new weapons — this would assist NATO planning and, in particular, the preparation of a new statement of requirements.

12. The Turkish Foreign Minister raised the only dissident voice. As Soviet armed strength was increasing he could not see that NATO forces should level off. Soviet leaders were only impressed with two arguments: strength and determination. The Western Powers had been careful not to take any provocative steps and any fears which may be expressed by Soviet leaders as to the NATO build-up were only meant to serve propaganda purposes. In fact, Soviet leaders were neglecting no occasion to increase their political and military power and aggression against the West was continuing. Under the circumstances armed forces had to be developed; priority had to be given to security and if economic difficulties were to arise, they could be solved on a cooperative basis as had been done in the past. The shield of NATO had to be related to the threat and not to economic possibilities. The Turkish Minister drew attention again to the danger involved for NATO countries if they

developed economic relations with and therefore increased their dependence upon the Soviet Bloc.

13. The Foreign Ministers of Norway and Denmark stressed the importance from the point of view of a long-range defence policy of developing production and employment in Western Europe. Mr. Pella made the point that democracy had to be concerned not only with security but that it had to demonstrate that socially and economically it was more effective than the Communist system and he expressed the hope that, whenever important questions arose, they would be discussed by the Permanent Representatives.

14. It seemed that agreement on the following points emerged from the Council discussion on future NATO policy:

(a) the United Kingdom assumptions were accepted;

(b) while NATO forces had to be maintained at a sufficiently high level to deter aggression, social and economic stability had to be preserved;

(c) it was important for the long run to develop the economic potential of the member countries and to follow progressive social policies;

(d) consultation on common political problems had to be developed as it tended to increase the cohesion of the Alliance;

(e) in general, non-military cooperation — this was stressed by Mr. Pearson — had to be built up if the Organization was to last longer than the military emergency which had brought it into being.

The European Defence Community

16. Mr. Dulles made a very frank, able and moving statement on this subject. Under the North Atlantic Treaty, member countries had to safeguard Western civilization which was a great creative force. It had emphasized the spiritual nature and freedom of the individual, it had promoted government by consent and guided the evolution of many countries towards self-government. Western civilization had increased productivity and made it possible for more people to live longer and better; it was prepared to share its knowledge with other areas of the world. Yet, this great uplifting force was now challenged by those who reproduced the degradation of the dark ages; this was due to the fact that the nations which had led the West had weakened in strength and prestige and allowed themselves to become divided.

17. The West had immense potential strength but greater unity was necessary. The integration of the European Community was essential to provide a core to the Atlantic Community. Both had to be built together and each contributed to the success of the other. This integration had already found expression in the OEEC, the EPU, the CSC, and the proposed EDC, at EPC. The United States people had followed closely this process. Many felt that they were only interested in the defence aspect of integration. Nothing was further from the truth. The United States were interested in the survival and the prosperity of the European civilization and, in their view, this meant the setting-up of a European Community based on the reconciliation of France and Germany.

18. The United States people had anxiously been awaiting the consummation of the integration process through the setting-up of the EDC. They had demonstrated

their concern through membership in NATO, cooperation with the OEEC, economic assistance, the stationing of forces in Europe. They had done much to make Europe a healthy and cooperative area but the essential step had yet to be taken. Some feared that if such a step were taken, the United States might then abandon Europe and reduce its forces. In fact, if the EDC were created it would ensure intimate and enduring cooperation between the forces of the United States, the United Kingdom and those of European countries. If, however, France and Germany were to remain apart it was doubtful whether Europe could be made safe and this would compel an "agonizing" reappraisal of basic United States policies.

19. If Western Europe was to develop unity this had to be soon. Powerful divisive forces were at work and it might never be possible again for integration to occur in freedom. If it could be achieved, the United States would see it as a symbol of Europe's will to achieve the goal to defend the Western heritage. The creation of the EDC was, however, only part of the task. It was also necessary to achieve the enduring unity of the NATO Alliance. The EDC and NATO complemented and reinforced each other.

20. The Foreign Minister of Norway agreed with Dulles as to the historic importance of the EDC in effecting a reconciliation between France and Germany; furthermore, there was no alternative but to secure a German defence contribution which was essential to the defence of Europe.

21. Mr. Pearson agreed with Mr. Dulles on the significance of the EDC as regards further support for European defence; it would be easier to continue mutual aid assistance and to strengthen our association with NATO if Germany joined with us in the defence of the West. Mr. Pearson referred to the danger mentioned by Mr. Dulles of not completing arrangements to bring Germany into our defence system. It was first planned to deal with East-West tensions after the German collapse had left a void in the centre of Europe. Now the void was being filled and the problem was to cope with an East-West and Centre conflict. Under the old 1914 and 1941 formula, the East and the West combined against the Centre. The new method envisaged that the West and the Centre joined in unity in more than narrow military cooperation. The alternative of having the Centre either weak and neutral or armed and strong, as a third force, was not attractive. We were therefore strongly in favour of the EDC for military and political reasons; this was the best way to complete our arrangements for collective security and for collective non-military action.

22. Mr. Pella recognized that the ratification of the EDC was important to ensure a German contribution to the defence of the West and as a step forward towards the integration of Europe which was a fundamental objective of Italian foreign policy. He felt, however, that any attempt to secure ratification now, in Italy, would meet with serious difficulties as long as the problem of the "Eastern frontiers" of his country had not been solved favourably.

23. M. Bidault referred only briefly to the strengthening of the NATO Alliance as the framework for the EDC. He dealt mainly with the difficulties which France had to overcome in connection with this project. He mentioned certain fears that France might lose her special position as a Standing Group Power, the need to settle first the Saar problem, the bitterness resulting from three centuries of wars, the impor-

tance of being given assurance of understanding and support on the part of her major partners, and mostly the war in Indo-China. M. Bidault paid homage to the assistance received from the United States and gave assurance that France would not let down the Associated States but he hinted that if the war in Indo-China could be brought to a close and French military units repatriated, the ratification of the EDC might be ensured.

24. The discussion on the EDC brought out one or two new points:

(a) the time for decision has now arrived and unless the EDC is ratified soon, the consequences as regards United States policy and defence assistance for Europe will be very serious;

(b) the EDC and NATO are closely related and the coming into being of the former will ensure closer cooperation and assistance from the American members of the Alliance.

Four-Power Conference

25. The Foreign Ministers of Norway and Denmark expressed the hope that a Four-Power Conference would be held and that it would produce results. They did not have illusions as to the prospects of far-reaching agreements but they thought public opinion had to be persuaded that the West had spared no effort to lessen tension; if the meeting were to fail, it was equally important that responsibility for failure should be placed where it belonged.

26. Mr. Van Zeeland reminded the Big Three that alone they were not the Alliance but that they would represent the hopes of the fourteen countries; he suggested that they should not expect to reach agreement quickly and that they should not try to find final solutions to any problems; they had to attempt to develop concrete proposals and to try to promote discussion on substantive rather than on procedural issues. While we had no intention to attack, it was possible that Soviet fears might be genuine and he urged that an effort be made to develop a generally acceptable system of security.

27. Mr. Pella recalled that a free, unified and democratic Germany was an essential NATO objective. He rejected any idea that Germany might be neutralized. As to Austria, tactical preoccupations on the part of the USSR were mainly responsible for the delay in reaching agreement; every effort should be made to induce the USSR to give signs of good will in regard to a problem where divergencies appeared easier to conciliate. It was hoped that the Conference would also examine the problem of security.

North American Defence

28. In the course of his statement, Mr. Dulles, as we expected, reported that the United States Government were taking steps in consultation with Canada to strengthen the defence of the American Continent as part of the NATO area. It was necessary to provide a degree of protection to essential American war production capacity. By 1956, the USSR would have a formidable air potential and an adequate defence of North America against air attacks was essential to NATO. The temptation would be great if an aggressor could knock out the industrial power of the United States. While it was impossible to prevent serious damage in case of

attack, a substantial degree of protection and the capacity to retaliate massively could be ensured. Any measures to achieve these objectives reduced the likelihood of war.

29. Mr. Pearson added that in Canada we had much in mind the new urgency of an old responsibility: American continental defence. We considered continental defence as part of NATO defence and in accepting additional burdens in this regard we were making the same kind of contribution to the common security as if we were sending more units across the Atlantic. While we were prepared to accept a large share of the burden we were not, however, considering a reduction of our commitments in Europe.

L.D. W[ILGRESS]

545. DEA/50115-J-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

DESPATCH 4056 Paris, December 21, 1953

SECRET

MINISTERIAL MEETING OF THE COUNCIL — ITEM II: PRIVATE MINISTERIAL SESSION FOR CONSIDERATION OF THE INTERNATIONAL POLITICAL SITUATION — BERMUDA CONFERENCE; SOVIET INTENTIONS AND TACTICS; THE BERLIN CONFERENCE; ATOMIC DEVELOPMENTS; NORTH AMERICAN DEFENCE

When Mr. Bidault (France), the Chairman, suggested early in the Ministerial Meetings that Ministers should split up and consider political, defence, and financial matters separately in private sessions, the Council was not responsive and continued in full formal session. However, the matter was re-opened towards the end of the agenda at Mr. Pearson's suggestion. This led to a private session on the morning of December 9.[46] It was held in a relatively small room; Ministers of Foreign Affairs sat at the table with various other Ministers and the Permanent Representatives immediately behind them. One additional official attended from each Delegation. The atmosphere was much more warm and friendly than at the formal meetings.

2. Mr. Bidault explained at the outset that the meeting was entirely "off-the-record". He hoped that Ministers would express themselves with freedom and particularly warned that there should be no indication to the Press of anything that was discussed.

---

[46] La date exacte est le 16 décembre.
The correct date is December 16.

3. Mr. Lange (Norway) was the first to respond. He invited the participants at the Bermuda Conference to give an account of the discussions there, with particular reference to plans for the "Big Four" Conference in Berlin and possible security undertakings to the USSR.

4. With the not unwilling consent of Mr. Dulles and Mr. Eden, Mr. Bidault gave a short but comprehensive sketch of the topics discussed in Bermuda: the reply to the most recent note of the USSR; plans for the Berlin meeting; the position of EDC; far Eastern problems, including China, Korea, and Indo China; the Middle East, including the Suez Canal; the internal problems of the Soviet Union; President Eisenhower's atomic announcement in the UN; and the coming meeting of the North Atlantic Council.

5. Replying to Mr. Lange's particular question about security guarantees, Mr. Bidault reported that he and his colleagues at Bermuda, together with Mr. Adenauer, thought it would be possible to do something; they had not reached entire agreement but had made progress. There were two possible procedures: either a contract in which the USSR participated or a unilateral guarantee from the West if a contract with the USSR could not be obtained. Either procedure might reassure the various people in various countries who asked questions about the attitude of their own governments and their governments' [sic] towards the USSR. The whole matter was now being considered by a group of experts from the three countries and the Germans, since they were at the centre of the problem, were being kept informed.

6. Mr. Eden confirmed that, in the matter of security undertakings, something useful might be achieved, but he warned that this would only be possible if it emerged at Berlin that the Soviets really wished for a relaxation of tension. The form of a security guarantee would not be too difficult if there was a will for it.

7. He was apprehensive about Soviet tactics and considered it most important that members of the North Atlantic Council should be in agreement about what those tactics were. He believed that while the military threat had receded, the diplomatic manoeuvres of the USSR were becoming more skilful and more intelligent. At the moment the Russians were posing as Europeans (although they could readily adopt other poses) and claiming that Europe should be for the Europeans to the exclusion and isolation of the USA. In this regard it was most important to remember that the post war reconstruction of Europe had been built upon the Marshall Plan.

8. The Berlin meeting, he felt, was going to be extremely delicate. On the one hand, no opportunity should be missed to reach agreement with the USSR, and this would require patience and tolerance; on the other hand, the Conference should not be allowed to deteriorate into another "Palais Rose". Mr. Eden added that, returning after his long illness, he was greatly encouraged by the cohesion and growing strength of NATO; but he warned that three or four extremely difficult months lay ahead and that it might be difficult to stand together. "Exasperation with our friends is a very expensive luxury".

9. Mr. Dulles began by warning that, because of Russian obstruction and delays, the proposed Berlin Conference might conceivably never take place. However, assuming that it did take place, it must be remembered that Germany was the primary

topic. Contact with the West German Government would have to be very closely maintained and any undertakings relating to the security of the USSR would have to be fully and freely acceptable to that Government. Germany must not have decisions imposed on her nor be treated as a second-class power; discriminatory provisions would invite the rise to power in Germany of persons and parties dedicated to throw them off.

10. He recalled that the UN Charter binds (most) North Atlantic countries and also the USSR to restrictions on the use of force. Nothing should be done at Berlin to undermine the strength of the Charter. Germany is outside the Charter and special provisions would have to be made to meet this situation.

11. Mr. Dulles believed that the USSR was at present unwilling to contemplate unification of Germany or indeed of Korea under free institutions. Any such move would have serious repercussions in the satellite countries.

12. Turning to President Eisenhower's atomic announcement, Mr. Dulles said that immediately the text had been reviewed at Bermuda it had been transmitted to the Russian authorities so that they could have time to prepare their position before the statement was made in the Assembly. He emphasized that this was a very serious proposal and not a propaganda gesture.

13. Speaking about the political situation in his own country, Mr. Dulles drew attention to the vast difference between the attitudes of the American people now and before 1914. The change had been rapid. Nevertheless, Europe "must not take the United States for granted". The present Administration was most anxious to continue its policies, but these policies were based on hopes for the future rather than on historical positions. He very much hoped that his European colleagues would keep the domestic situation in the United States very much in mind.

14. Mr. Eden (United Kingdom), in response to a question by Mr. Pearson, then talked briefly and frankly about the position of the Suez Canal. His statement closely followed the lines of Telegram No. 1996 of December 10 from Canada House to Ottawa and need not be repeated here.†

15. Mr. Dulles (United States) then spoke about atomic matters, in reply to a question by Mr. Van Zeeland (Belgium). As he had said two days earlier, the United States Administration was going to ask Congress to relax the present restrictions on dissemination of atomic information. The present law was passed when the United States had a virtual monopoly on atomic information and wished to prevent leaks to the Soviets. However, the law was now largely out of date; the Soviets had themselves developed atomic power by their own efforts and through espionage. Some of the NATO allies, in particular the United Kingdom and Canada, had also a large body of information. "Hence it would seem more gain than loss if the United States could speak more freely to its allies".

16. In the field of atomic weapons, the United States had now developed a great variety and number applicable to all three fighting services. Atomic power was, these days, almost a "conventional weapon". Indeed it is a cheaper explosive than conventional explosives. There was no sense in making a lot of weapons "if they could not be used"; (presumably he meant "used by the allies of the United States").

17. Mr. Pleven (France), pursuing the question of atomic weapons, asked how far these were interchangeable with ordinary weapons. "The most difficult problem in the coming years is to combine old techniques and old weapons with new techniques and new weapons". Moreover, he suggested that even though atomic weapons existed, a future war might be waged without using them because each nation possessing them might hesitate to use them first.

18. Mr. Dulles said that he was not sufficiently expert to reply about interchangeability. He readily agreed that it would be politically and morally better to allow the enemy to be the first to use atomic weapons. On the other hand he warned that this would involve a very great risk. Moreover, it would be extremely expensive to prepare to fight two different sorts of war with different sorts of weapons; preparations for one sort of war were expensive enough.

19. Mr. Bidault welcomed the United States intention to lift the restrictions on atomic information. Continuation of the present secrecy would be bad both for the efficiency of the alliance and for the morale of the people.

20. Mr. Pearson turned the discussion of atomic weapons toward their possible use by the Soviets against North America. He believed that this possibility was producing a new type of continentalism over there borne of the naturally strong desire for self defence. Continental defences were now being developed by Canada and the United States and these defences should be recognized as a part of the general NATO defences because Europe could not fight very long with the industrial power of North America knocked out.

21. Just as the North American desire for continental defence was a part of NATO, so also should be the European desire as expressed in the EDC. Moreover, the completion of this measure of "Europeanization" within the context of NATO would strengthen the will of North America to cooperate with Europe in common defence.

22. Turning to the question of security guarantees to be discussed at Berlin, Mr. Pearson hoped that the Big Three would recognize the deep concern of the other Atlantic powers as well as themselves. A small North Atlantic power with armed forces under NATO command in Europe would be involved in those guarantees just as much as the big powers themselves. It was therefore most desirable that there should be discussions of the security issue in the North Atlantic Council which had already proved a very useful forum for informal discussions.

23. Lord Ismay confirmed the usefulness of the informal meetings of the Council and described their nature. Mr. Bidault said that the Big Three would certainly keep Mr. Pearson's suggestion in mind. He also welcomed the suggestion, which Mr. Pearson had made earlier, that the final communiqué should make reference to the need for holding together the defence of the two continents by means of the NATO link.

24. Mr. Dulles, continuing the discussion of continental defence, emphasized that a balance had to be struck between, on the one hand, local defence and, on the other, ability to carry out an offensive which might have a strong deterrent influence. He confirmed that there were a number of vital targets in North America which were within easy range of atomic attack. However, if the United States were

to try to establish complete defence, it would eat up much of the money needed for the deterrent striking power. This striking power is a common defence for all the countries concerned. So far, he was glad to say, there had been no panic in the United States in regard to local defence.

25. Mr. Bidault, in conclusion, felt that the meeting had proved most useful and hoped it would set a precedent for further frank and intimate discussions amongst Ministers "without armies of advisors holding masses of papers". He thanked Mr. Pearson for taking the initiative which had resulted in this meeting.

L.D. W[ILGRESS]

546. DEA/50102-E-40

Extrait d'une lettre de la délégation au Conseil de l'Atlantique Nord au sous-secrétaire d'État aux Affaires extérieures

Extract from Letter from Delegation to North Atlantic Council to Under-Secretary of State for External Affairs

LETTER NO. 4075 Paris, December 23, 1953

SECRET

REPORT ON THE MINISTERIAL MEETING OF THE NORTH ATLANTIC COUNCIL — DECEMBER 14-16

Attached are four copies of a final report on the Ministerial meeting of the North Atlantic Council which took place at the Palais de Chaillot from the 14th to the 16th December. The report is divided into the following main sections:

I. Introduction and General Assessment of the meeting

II. Consideration of the International Political Situation

III. The 1953 and 1954 Annual Reviews

IV. Military Items and Statements of the Military Commanders

V. Non-Military Items (Secretary General's Report)

VI. Date of the Next Meeting.

Annexes

A. List of the Canadian Delegation

B. Text of Statement by Mr. Pearson on the International Situation†

C. Text of Statement by Mr. Claxton on the Canadian position in the Annual Reviews.†

. . .

L.D. W[ILGRESS]

REPORT ON THE MINISTERIAL MEETING OF THE
NORTH ATLANTIC COUNCIL, DECEMBER 14-16, 1953
HELD AT THE PALAIS DE CHAILLOT, PARIS[47]

I. *Introduction*

The North Atlantic Council met in Ministerial Session in Paris from December 14 to December 16 inclusive. M. Bidault, the French Foreign Minister, was Chairman. The Session was preceded by meetings of the Military Committee on December 9 and by a joint meeting of the Permanent Representatives and the Military Committee on December 11. A list of the Canadian Delegation is given in Annex A.

2. This Session was in some respects most timely. It will be recalled that when the Ministers last met in April the change in Soviet tactics following Stalin's death had hardly had any impact. In the months since then, however, Soviet moves to appear more reasonable and at the same time to sow dissension among the Western Powers had not been without success. The feeling had therefore developed that it was time for a review of western policy, both with respect to the relations between the Western Powers and the Soviet Bloc and also with respect to the relations among the Western Powers themselves.

3. This was, of course, one of the reasons behind the Three-Power Meeting in Bermuda which, coming as it did but a few days before the Ministerial Meeting of the Council, inevitably had its influence on the deliberations in Paris. In particular the nature and pace of the future NATO defence build-up was discussed at Bermuda and the ideas developed there became subsequently accepted as NATO policy. Lord Ismay's attendance at Bermuda in his capacity as Secretary General provided a further link between that meeting and the Ministerial Meeting of the Council.

4. There was also the factor of the proposed Four-Power Meeting in Berlin. Though the questions to be discussed (if, indeed, the meeting were to take place) would undoubtedly be of primary interest to the Great Powers, the interests of all the NATO countries would inevitably be involved and the Ministerial Meeting of the Council, therefore, provided an excellent opportunity — indeed, an incentive — to ensure that all concerned saw eye-to-eye on matters affecting their common security.

5. Although the timing of this Council Session was, in these respects, opportune, there were also factors which introduced an important element of uncertainty. There was the complexity of the French domestic political scene. The French Government, not too secure at best, was facing tremendous opposition to its declared policy of ratifying the EDC Treaty and was, at the same time, harassed by often untactful remarks from its allies abroad. And the sensitivities of French Ministers

---

[47] Voir "Session ministérielle du Conseil de l'Atlantique Nord, décembre 1953", *Affaires extérieures*, volume 6, nº 1, (janvier 1954), pp. 2-7.
See "North Atlantic Council Ministerial Session, Paris, December 1953", *External Affairs*, Volume 6, No. 1 (January 1954), pp. 2-7.

were further increased at this time by the French Presidential elections which began the day after the NATO meeting.

6. There was also the uncertainty surrounding United States policies. In spite of all the reassurances of President Eisenhower and Mr. Dulles, the European members of NATO could not help feeling misgivings about the future United States role in western security as a result of the more irresponsible statements and actions of Congress. And the United States Ministers in Paris had to keep in mind the mood of Congress when it reconvenes in January.

7. Against this background it is perhaps not surprising that there was a general feeling at this Session that NATO was approaching a period of challenge and of danger. Because there was a public impression that Soviet intentions were less menacing, there was a danger that it might be assumed that there was no need for further defence preparations. There was also a danger that if the Western Powers confined their attention exclusively to defence preparations they would undermine public confidence in the policy of collective security and would aid Soviet efforts to divide the North Atlantic Alliance. There seemed to be a feeling among the Ministers attending this Session that the need of the times was for strengthening the political cohesion of the NATO countries and for accelerating their social and economic progress. At the same time, there was considerable uncertainty as to how this could be accomplished under present circumstances and as to whether — and how — NATO might be better adapted to these aims.

8. As mentioned earlier, certain ideas were developed by the Three Powers at Bermuda on the concept that should guide future NATO defence planning. This concept became known as the "new look" or the "long haul". It was based largely on United Kingdom proposals, of which we had been informed shortly before this Ministerial Meeting. These were, briefly, that NATO planning should be based henceforth on the assumption that (provided the West maintained its lead in nuclear weapons and in the scientific field) roughly the present aggregate level of forces, plus a German contribution and continued support by United States end-item aid and offshore procurement, would provide an effective deterrent to Soviet attack and would also be within the economic means of member countries. This new policy was along lines which had undoubtedly been forming in the thinking of NATO governments for several months and it was accepted by the Council with surprisingly little discussion of the very important assumptions on which it was based or of the implications which it contained. The policy was reflected in the "force goals" adopted for 1954-55-56 as a conclusion to the 1953 Annual Review, and in the guidance laid down for the 1954 Review.

9. There was, however, one important proposal concerning machinery for studying these implications. It came — somewhat to the consternation of members of the Council, since they had not been previously consulted — from Lord Ismay. He suggested that some sort of "brain trust" be set up in the NATO Secretariat under his direction to undertake a thorough survey, military and economic, of NATO policy and organisation on the basis of the "long haul" concept. The suggestion apparently appealed to the French and some others who seemed to seek in new organizational methods and machinery means of meeting the challenge to NATO which the

period ahead presented. It did not, however, command general support and was, therefore, dropped.

10. The influence of some of the factors and ideas outlined above was discernible in M. Bidault's public statement to the opening session of the Ministerial Meeting. He referred to the necessity of "reinforcing" NATO by greater co-ordination and standardisation, by increased "internal discipline" and by closer unity in common agreement. He emphasized that the development of the Atlantic Community would condition the very existence of the European Defence Community, which could not be brought into being outside the Atlantic Alliance. He insisted that, only as the ties that bound the NATO countries were strengthened (and he made it clear that this would involve guarantees concerning the continued stationing of non-European troops on the Continent) could NATO become the solid and lasting framework of the EDC. He intimated that, if national sovereignty were to be given up only for European isolation, many would prefer to turn to other methods. He also emphasized that NATO's policy of collective defence must carry with it positive and resolute initiatives for peace. For this reason, he welcomed the willingness of the Western Powers to talk with the Soviet Government in Berlin and President Eisenhower's recent initiative in submitting to the United Nations proposals for atomic disarmament.

11. The note which Mr. Bidault struck in appealing for greater cohesion in the Atlantic Community was echoed and re-echoed by other Ministers throughout the meeting. Greater unity, closer political understanding, increased co-operation in non-military spheres, were stressed by speaker after speaker. Mr. Dulles, Mr. Eden and Mr. Pearson all emphasized the need to develop these aspects of NATO if the Organisation was to endure. It was all the more regrettable that Mr. Dulles himself unwittingly dealt a blow to transatlantic solidarity by his clumsy reference in a press conference to the fact that Europe would be "committing suicide" if it did not bring the EDC into being promptly.

12. In spite of the uncertainties and some unfortunate impressions that might have been made, it can probably be said that, on the whole, this Ministerial Meeting went well. The Ministers had a thoroughly worthwhile exchange of views in their discussion of the international political situation, particularly in a restricted session which was held on the last day. Ministers of Defence and Finance attended this session together with Permanent Representatives and one adviser for each delegation, but the discussion was limited to foreign affairs. The participants spoke their minds freely and the meeting was considered to have made a worthwhile contribution to the cause of better understanding between the NATO countries. There was also a useful discussion in plenary session on the Annual Review item, in which Mr. Claxton outlined some of the considerations governing the Canadian defence programme.

13. In this connection, it might be said in passing that the NATO Secretariat appears to have gained considerably in stature and prestige during the past year and that, in general, member countries seem prepared now to allow the NATO military and civilian authorities to take important initiatives in putting forward specific recommendations concerning countries' defence plans.

II. *Consideration of the International Political Situation*

The international political situation was considered at two meetings, first at a full session of the Council at which Item II of the Agenda was discussed and later at a restricted meeting of Foreign Ministers (with other Ministers and Permanent Representatives in attendance) during which there was more intimate discussion of the Bermuda Conference, Soviet intentions and the projected Berlin Conference.

Trends in Soviet Policy

The debate on trends in Soviet policy indicated general agreement that the basic hostility of the Communist regime had not changed. Soviet leaders seemed to be preoccupied currently with internal problems and to an increasing extent had to take account of the growing strength of NATO. However, although they appeared to be prepared, for tactical reasons, to meet with other countries, there was no evidence that they had any intention of negotiating settlements of major issues or of modifying their efforts to promote disunity in the West.

It was conceded that the danger of armed aggression had lessened due to the internal preoccupations of the Soviet Government and to the NATO build-up, but the West had to remain vigilant and guard against the possibility that the Soviet Union might revert to more aggressive policies in the future when it had overcome the more pressing internal problems and developed its atomic power. It was important that NATO countries resist against Soviet attempts to create division and dissension in the Western world and to this end should strengthen their political relations and reinforce their defensive organization. On the other hand the Western powers should remain continually alert to any real opportunities which might arise for bringing the cold war to an end.

Future NATO Policy

The Council's reassessment of Soviet policy implied the necessity for long term or "long haul" preparedness. NATO countries had to keep in being, over a period of years, forces which would provide an effective deterrent to aggression. The quality of these forces should be improved so that they could provide a more effective shield behind which reserves could be mobilized. To meet these objectives provision should be made for a German contribution to the defence of the West and the lead established by the West in atomic armaments should be maintained.

While these principles were generally accepted as the basis of future NATO policy, the Turkish Foreign Minister raised a dissident voice. He pointed out that Soviet armed strength was continually increasing and for this reason could see no reason why NATO forces should level off. He felt that priority should still be given to rearmament; economic problems could be solved by cooperation. This warning voice was lost in the preoccupations of the other countries with the political problems of continuing the Alliance. Mr. Dulles was warmly supported when he emphasized that NATO had to establish its "long haul" military expenditures at a level consistent with social and economic progress. Both he and Mr. Pearson stressed the importance of encouraging non-military cooperation among members of the Alliance to increase its cohesion and to thwart Soviet attempts to induce

disunity. M. Pella also emphasized continued consultation on common political problems as one of the best means of achieving these objectives.

The European Defence Community

The debate on the European Defence Community and Mr. Dulles' press statements on this subject gave rise to the strongest press reaction of the meeting. Mr. Dulles emphasized that present United States policies had been based on the assumption that a German contribution was essential to the defence of Western Europe. If EDC were created, it would ensure intimate and enduring cooperation between the forces of the United States, the United Kingdom and European countries, if not, the United States would be compelled to undertake an "agonizing reappraisal" of its basic policies.

The "agonizing reappraisal" warning coupled with Mr. Dulles' statement at a press conference that Europe would be "committing suicide", if it did not bring EDC into being promptly, left little doubt in the minds of many European editors of Mr. Dulles' implication that Western Europe is clearly not defensible in the "long haul" without a German contribution.

M. Bidault's reply in Council raised all the conventional difficulties confronting the French Government in connection with ratification; in his opening statement as Chairman of the Council, he had however anticipated in a somewhat more positive fashion Mr. Dulles' ultimatum when he called for a strengthening of the discipline and cohesion of the Alliance and he referred to possible guarantees and counterweights to an Integrated Europe within the Atlantic Community.

The French press seized on Mr. Dulles' statements and the first reaction was that his intervention had strengthened the EDC opposition. A more mature view however might suggest that Mr. Dulles' statement has been helpful. At least it has brought out clearly the fact that the time for decision has arrived and, unless EDC is ratified soon, the consequences for Europe of the "agonizing reappraisal" of US policy will be very serious indeed.

The Four-Power Meeting

Discussion on the proposed Four-Power Meeting developed at the restricted meeting of Ministers following informatory statements by the "Bermuda" Ministers. Mr. Dulles emphasized that, if the Soviet Government agreed to the Berlin Meeting, Germany would be the primary topic. Close contact would have to be kept with the West German Government and any undertakings would have to be freely acceptable to it. Germany could not have decisions imposed on her, nor could she be treated as a second class power. Mr. Dulles believed that the Soviet Government was at present unwilling to contemplate unification of Germany (or of Korea) under free institutions as any such move would have serious repercussions in the Satellite countries.

North American Defence

Both Mr. Dulles and Mr. Pearson stressed the increasing importance of North American Defence as the Soviet capability for atomic warfare increased. The continental defences now being developed by Canada and the US should be recognized as an important part of the general NATO defences and the Canadian and US con-

tribution in this sector must be considered in the same light as contributions of units to the European sector.

III. Annual Review, 1953 and 1954

The Annual Reviews for both 1953 and 1954 were considered together by the Council. The key note of the discussion was "the new look" or "the long haul", and this key note had been sounded in all the three documents around which discussion revolved: the Annual Review Report for 1953, and the formal Resolutions relating respectively to the 1953 Review and the 1954 Review.

By adopting the two Resolutions, Council formally terminated the period of rapid build-up of forces, initiated nearly two years earlier at the Lisbon meeting, and accepted a new regime. In this new regime, it could be assumed, at least for planning purposes in the 1954 Review (according to the text of the 1954 Resolution), that "defence expenditures on NATO forces will be required at approximately the present level", but that "under presently foreseeable circumstances any substantial increase in the proportion of resources devoted to defence seems unlikely". Within these limits "it is nevertheless desirable, as politico-economic considerations permit, to increase the strength of NATO military forces".

The "long haul" was also reflected in the new "force goals" which were formally accepted by Council under one of the clauses of the 1953 Resolution. These forecast, for the years 1954 to 1956 inclusive, relatively little increase in the numbers of major army units; a relatively greater increase is forecast and urgently required, in the fighter air forces and in escorts and other naval vessels. In 1954, as in 1953, there is to be continued emphasis on the quality of forces, rather than merely on quantity (which was so strongly emphasized at Lisbon), and in 1954 the Annual Review will, for the first time, be concerned not merely with front-line units but also with reserves.

It was agreed that the time had come for a "reassessment of the most effective pattern of military strength over the next few years within the resources which it is anticipated may be made available" (1954 Resolution). This reassessment seems to be needed for three reasons: first, the NATO "patterns of military strength" that have been agreed upon in the past assumed that the build-up of forces would proceed, if not for a longer period, at least to a considerably higher level; second, after the rapid acceleration of defence expenditures during the past two years, it is now necessary to adapt outlays to an appropriate "cruising speed"; and, finally atomic weapons seem likely to emerge in the next few years in considerable quantity and variety. The reassessment is to be undertaken in the first instance by the military, especially General Gruenther, but the Council is to be kept in touch with its development.

Most of the Representatives who spoke on the Annual Review, laid emphasis on one aspect or another of the "long haul": the US, UK, France, Italy, Canada, and the Netherlands. Mr. Claxton, speaking for Canada, pointed out that the very success already achieved in the build-up now narrowed the scope for alteration; there was little elasticity left in national military programmes and in national defence budgets. Like some other speakers, he reviewed certain military recommendations made during the course of the Annual Review, 1953, indicating where progress

could and could not be expected. Turning to Canadian mutual aid (to which favourable references were made in the 1953 Resolution) he said that physical production and deliveries in the coming year were planned at about the same level as in past years, but a greater proportion would be in the form of newly produced equipment; NATO aircrew training in Canada was to be extended for three years on the basis of 1200 trainees per annum.

IV. *Military Items*

Estimate of the Military Risk

The Council took note of the Report of the Estimate of the Military Risk prepared by the Military Committee . . . † The Report indicated that the risk had not substantially changed since the Military Committee reported on the subject the previous April, and that, in the view of the Military Committee:

(a) present force goals could not be considered an end in themselves, but only as a step towards the realization of the forces necessary for the effective security of NATO countries; and

(b) there was an urgent need for a German contribution to Western defence.

Progress Report by the Military Committee

In presenting the Military Progress Report . . . † to Council, Admiral Qvistgaard,[48] (Chairman of the Military Committee) drew attention to the large number of changes that had taken place in the higher Command appointments in the NATO military organization. He paid particular tribute to the work accomplished by General Ridgway, former Supreme Allied Commander in Europe and by Admiral Lemonnier,[49] who had organized the NATO Defence College and had been its Commandant for the past two years.

At the request of the Chairman of the Military Committee, the Supreme Commanders, in turn, made brief statements outlining the main problems with which they were faced.

Statements by Supreme Commanders

Sir John Edelsten (Commander-in-Chief Channel Command) drew attention to the extreme importance of the Channel area in the NATO organization. It formed a vital bottleneck through which many convoys had to pass, and was extremely vulnerable to attack particularly by enemy aircraft. There was a shortage of minesweepers, escorts and maritime aircraft. The deficiency in minesweepers would be felt most severely at the commencement of hostilities. He was particularly concerned by the undefended state of the terminal ports for convoys. To remedy this defect, more radar cover, fighter aircraft and AA guns were required.

[48] Amiral Erhard J.C. Qvistgaard, chef de la défense du Danemark et membre du Comité militaire de l'OTAN.
Admiral Erhard J.C. Qvistgaard, Chief of Defence of Denmark and Member of NATO Military Committee.

[49] Amiral A.G. Lemonnier, adjoint naval du commandant suprême, SHAPE.
Admiral A.G. Lemonnier, Naval Deputy to Supreme Commander, SHAPE.

Admiral L.D. McCormick (Supreme Allied Commander Atlantic) reported steady progress both in general planning and in infrastructure; a sound organization had been built during the past 18 months, and valuable experience in co-operation gained. Nevertheless, there were two problems whose solution required the co-operation of national authorities: first, the automatic implementation of certain defence measures on the declaration of an alert, such as manning the War Headquarters. Second, the conclusion of certain bilateral agreements which were necessary to provide for the logistic support of SACLANT's forces. He had himself recently submitted his estimate of force requirements for 1956, based solely on military considerations. If these requirements could not be met, he would need to prepare a second plan based upon the forces his Command might realistically expect to have several years hence. Unfortunately, the continuous lack of adequate reserves of raw materials in Europe made the task of keeping open the lines of communication across the Atlantic even more important.

General A. Gruenther (Supreme Allied Commander, Europe) was more optimistic. He considered that progress since 1948, when the Alliance had first been planned, had been "fantastic" in view of the difficulties to be overcome. Turning to the future, he thought there was no magic in such phrases as "new look" or "the long pull". A changeover to long-term planning would not automatically ensure that the forces would be adequate. He and his staff were now planning to defend a 4,000 mile front on the basis of forces likely to be available in 4 years time and taking into consideration the probable effect of new weapons. It would be several months before the survey could be available for submission through the Standing Group to the Council. It was by no means certain that new weapons would reduce requirements substantially. If it were finally determined to keep our forces at a lower level than originally planned, some means would have to be found to increase the number and efficiency of reserve forces. Another problem was the acute shortage of adequate tactical air forces, despite the remarkable improvement in the air position as a whole. There was some doubt as to whether the deterrent effect of the present long-range strategic air force was sufficient to counterbalance the weakness of the tactical air forces and ground forces. In connection with what had been said on the subject of information services, he was convinced that one of the main problems before the Alliance was to convince the people that NATO was an effective means of keeping the peace. His headquarters had received several visits from parliamentarians and would be pleased to receive more. He felt strongly that any funds and time spent on troop information would pay ample dividends.

There were no comments by Ministers on the military items.

V. *Non-military Items*

Report of the Secretary General

The report of the Secretary General gave rise to an uninspired and stereotyped series of comments. In introducing his report Lord Ismay drew attention to the large action devoted to such matters as civil defence and emergency planning. The Council had paid increasing attention to these two important subjects in recent months. Later Lord Alexander expressed warm approval of the initiative which was

being taken by NATO in encouraging member countries to organize their "home fronts".

Manpower

M. Pella and M. Stephanopoulos were the only Ministers to mention the subject of manpower and labour mobility. They both stressed the importance they attached to NATO work in this field and hoped it would continue.

Infrastructure

As the planning and financing of infrastructure is being implemented under the three-year agreement approved last April, it was generally agreed before the Ministerial meeting that the 1954 infrastructure programme should be approved by the Permanent Council at an appropriate time. Accordingly, Infrastructure was not an item for discussion by Ministers. Several Ministers, however, made passing reference to the important contribution the construction of infrastructure facilities was making in the defence build-up.

Relations between NATO and Parliamentarians

When he introduced his report, Lord Ismay commented on the desirability of having members of Parliament attend NATO Exercises which were going on continuously. Later, General Gruenther indicated that he would be very pleased to show his Headquarters to all interested visitors. Mr. Lange laid special emphasis on the desirability of arranging visits of groups of Parliamentarians from different NATO countries to various NATO Headquarters, and M. Pella warmly supported this idea.

Information

Lord Ismay again drew attention to the general ignorance and apathy of the populations of members of the Alliance toward NATO. He assured the Ministers that his Information Division was constantly alive to this problem and was doing its utmost — within budgetary limitations — to enlighten public opinion about the aims and purposes of the North Atlantic Treaty.

Prior to the meeting, the French Delegations had circulated proposals for expanding NATO operations in the field of Information. These proposals implied a substantial increase in the NATO information budget and suggested that the Secretariat should be given authority to coordinate the activities of member countries in this field. The Turkish, Greek, Portuguese and Italian Ministers strongly supported the French proposal. Other delegations could not accept the principle that information methods should be standardized and that there should be overall control by the Secretariat. However, a compromise resolution . . .† was passed which stressed the importance of intensifying measures already taken in the field of information and invited the Secretary General to take a number of practical steps to this end.

VI. *Date of Next Meeting*

M. Bidault drew attention to the difficulty of deciding on a definite date for the next Ministerial Council because of uncertainty as to when the Military Committee's report on the reassessment of the most effective pattern of military strength would be received. In view of this uncertainty, he proposed that it be left to the

Permanent Council to make recommendations at a later stage. M. Bidault's suggestion was agreed by Council.

Mr. Hughes (US) said he thought that the Permanent Council might take into account the desirability of having the next Ministerial Meeting coincide with the Fifth Anniversary of NATO. This would imply that the meeting would take place in April. Mr. Hughes undoubtedly had in mind Mr. Dulles' wish that the NATO Foreign Ministers should meet — perhaps in a capital other than Paris — to review trends in Soviet Policy. He may also have had in mind that such a meeting in April could serve as a target date by which the French Government might take action on EDC — although it would seem premature for this purpose. If a Ministerial meeting is held in April the agenda would probably consist entirely of political items requiring the attendance of Foreign Ministers only.

ANNEX A

DELEGATION OF CANADA TO THE MINISTERIAL MEETING OF THE NORTH ATLANTIC COUNCIL PARIS, DECEMBER 1953

MINISTERS — Chairman	— The Hon. L.B. Pearson, Secretary of State for External Affairs
	— The Hon. Brooke Claxton, Minister of National Defence
PERMANENT REPRESENTATIVE	— L.D.Wilgress
ADVISERS — Department of External Affairs	— Mr. M.H. Wershof
	— Mr. J.G.H. Halstead
— Department of National Defence	— Lieut. Gen. C. Foulkes, Chairman Chiefs of Staff
	— Rear Admiral H.G. DeWolf
	— Major General J.D.B. Smith
	— Colonel R.L. Raymont
	— Lieut-Col. H.E.C. Price
— Department of Finance	— Mr. K.W. Taylor, Deputy Minister of Finance
— Department of Defence Production	— Mr. T.N. Beaupré, Asst. Deputy Minister of Defence Production
— Permanent Delegation	— Mr. A.F.W. Plumptre, Deputy Permanent Representative
	— Mr. M.C. Cadieux
	— Mr. C.L. Read
	— G/C G.H. Newsome
	— Mr. D.B. Mundy
	— Mr. F.G. Hooton
	— Mr. D.H.W. Kirkwood
	— Mr. L.D. Hudon
	— Miss M.A. Emmerson

CHAPITRE VI/CHAPTER VI

AVIATION CIVILE
CIVIL AVIATION

PREMIÈRE PARTIE/PART 1

ORGANISATION DE L'AVIATION CIVILE INTERNATIONALE
INTERNATIONAL CIVIL AVIATION ORGANIZATION

SECTION A

PROCÉDURES POUR LE CONTRÔLE DE LA LOYAUTÉ AUX ÉTATS-UNIS[1]
UNITED STATES LOYALTY PROCEDURES[1]

547. DEA/72-ADU-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

[Ottawa], February 5, 1953

US LOYALTY CHECK IN ICAO

As indicated in the two memoranda we sent to you yesterday (copies attached†) arrangements are being made for screening procedures to be undertaken by US authorities amongst Americans in the employ of ICAO headquarters in Montreal. We find of great interest the possibility raised in the last paragraph of the attached telegram from the Permanent Representative in New York† of avoiding adverse comment and hostility on the part of the Canadian public by carrying out the fingerprinting and other activities on the premises of the US Consulate in Montreal instead of in ICAO headquarters. If this were done, he feels that ICAO could avoid the unfortunate impressions which were created at United Nations in New York when the FBI moved in with its questionnaires and fingerprinting equipment.

If you consider it advisable I could get in touch with Brigadier C.S. Booth, the Canadian Representative at ICAO and ask him to make the suggestion informally to both the Director-General of ICAO and to the US Representative that the investigation procedures be carried out in this way. He could point out to them that if the investigation was based at the US Consulate it would be less likely to create an unfavourable impression on Canadians than if it were carried out within the confines of the International Organization.

---

[1] Voir aussi les documents 238, 239./See also: Documents 238, 239.

It should be noted that such an approach might make it necessary for us later to raise with the Director-General the question of the use to be made of this information when received.

L.D. WILGRESS

548. DEA/5475-H-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

[Ottawa], February 5, 1953

In view of your approval of the Departmental memorandum of February 4 on security clearances in the Secretariat of ICAO, Mr. Ritchie to-day telephoned to Brigadier Booth, the Canadian Representative on the Council of ICAO. He told Brigadier Booth that we were quite concerned about the accounts we had heard to the effect that the Secretary-General of ICAO intended to permit the facilities of ICAO Headquarters to be used for the distribution and collection of security questionnaires issued by the United States authorities. He then outlined our suggestion that some other way could be found of achieving United States security objectives without having ICAO circulate the questionnaires or collect them for return to the United States authorities and that even if the Secretary-General did circulate the questionnaires it should be made plain that he was doing so on behalf of the United States Government. Brigadier Booth telephoned back later in the day to say that he had now had an opportunity to speak to the Secretary-General on this subject. The Secretary-General had in fact handed out the questionnaires to the sixteen American employees in the internationally recruited group of the Secretariat. (These seem to be the numbers involved although there may be Americans among the locally engaged Secretariat.) In doing so, the Secretary-General had explained that he was only acting as a post office for the American authorities. The employees would reply direct to the United States Consulate in Montreal. Fingerprinting would also take place at the United States Consulate. The Secretary-General asked to be informed, as a matter of record, what employees had filled in the questionnaires. This procedure was working quite smoothly. No American employees so far had objected to filling out the questionnaires and there had been no publicity. Should any publicity questions be asked by the press, the Secretary-General would reply in the terms of a short statement which he had drawn up.

2. Brigadier Booth had also spoken to Admiral Smith, the United States Representative, who had prepared a short statement himself on the United States position to be used should necessity arise. The statement stressed that the United States authorities were anxious to ensure the highest integrity of United States employees in the Secretariat. Brigadier Booth said that the situation seemed well in hand and he did not anticipate any unpleasant developments.

3. He added that the possibility might of course arise of some member of the Secretariat refusing to fill in the questionnaire or of the questionnaire resulting in an adverse report on an American member of the Secretariat. The Secretary-General had informed the United States authorities that in either of these events, he would receive a statement of the facts from the United States authorities but that these would be in no way binding upon him to take any action with regard to the employee in question.

4. We are to-day informing the American Embassy in an informal fashion of the interest which we take in this problem in so far as it concerns ICAO.[2]

L.D. W[ILGRESS]

SECTION B

SEPTIÈME SESSION DE L'ASSEMBLÉE GÉNÉRALE
BRIGHTON, 16 JUIN-6 JUILLET 1953
SEVENTH SESSION OF THE GENERAL ASSEMBLY
BRIGHTON, JUNE 16—JULY 6, 1953

549. PCO

Note du secrétaire d'État par intérim aux Affaires extérieures pour le Cabinet

Memorandum from Acting Secretary of State for External Affairs to Cabinet

CONFIDENTIAL [Ottawa], March 26, 1953

CANADIAN DELEGATION TO THE 7TH SESSION OF THE ICAO ASSEMBLY

The 7th Session of the Assembly of the International Civil Aviation Organization will take place this year in Brighton, England, beginning on June 16 and lasting approximately three weeks. This year's session will be the first in three years to deal with the whole range of ICAO's activities. In 1950, the decision was taken to hold "major" assemblies only once every three years. Accordingly the 1951 and 1952 meetings were confined to a review of financial and administrative matters. This year's assembly will assume added significance for Canada as it is to be expected that the old issue of moving the Organization's Headquarters from Montreal to a European or a Latin American site will be raised again. In view of these considerations it would seem desirable that a strong Canadian Delegation be sent to Brighton.

At the last major ICAO Assembly in 1950, Canada sent a delegation of twelve headed by the Minister of Transport. After consideration of the provisional agenda of the Assembly and in consultation with the other departments interested, the

---

[2] Note marginale:/Marginal note:

This matter seems to have been very sensibly handled in Montreal — a pleasing and possibly a valuable contrast! L.B. P[earson]

Chairman of the Air Transport Board has recommended with the agreement of the Minister of Transport that this year's delegation be made up of five persons with possibly four to five advisers. The Delegation would include representation from the Air Transport Board, the Department of Transport and the Department of External Affairs with advisory representation from the same departments. In addition, a representative of the Department of Finance would attend either as a delegate or as an advisor. It is suggested that the delegation should be headed by a Minister.

The Acting Secretary of State for External Affairs therefore recommends

1) that the Minister of Transport be designated as Chairman of the Canadian Delegation to the 7th Session of the ICAO Assembly;

2) that authority be granted to the Minister of Transport and the Secretary of State for External Affairs in consultation to designate the remainder of the Canadian Delegation along the lines suggested above.

BROOKE CLAXTON

550. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], March 26, 1953

. . .

INTERNATIONAL CIVIL AVIATION ORGANIZATION; CANADIAN DELEGATION TO 7TH SESSION OF ASSEMBLY

23. *The Minister of National Defence, as Acting Secretary of State for External Affairs*, submitted a recommendation concerning the Canadian delegation to the 7th session of the Assembly of ICAO to be held in Brighton, England, beginning on June 16th and lasting approximately three weeks. The session would be the first in three years to deal with the whole range of ICAO's activities.

(Acting Minister's memorandum, March 26, 1953 — Cab. Doc. 88-53)

24. *The Cabinet* noted the recommendation of the Acting Secretary of State for External Affairs and agreed:

(a) that authority be granted to the Minister of Transport and the Secretary of State for External Affairs, in consultation, to designate the officials to compose the Canadian delegation to the 7th session of the ICAO Assembly, along the lines submitted; and,

(b) that decision be deferred on the question whether the Minister of Transport should be designated as chairman of the Canadian delegation and attend the Assembly meeting.

. . .

J.W. PICKERSGILL
Secretary to the Cabinet

551. DEA/72-ADU-58-40

Le secrétaire d'État par intérim aux Affaires extérieures au secrétaire général de l'Organisation de l'aviation civile internationale

Acting Secretary of State for External Affairs to Secretary-General, International Civil Aviation Organization

Ottawa, May 28, 1953

Sir,

I have the honour to inform you that the Canadian Delegation to the Seventh Session of the General Assembly of the International Civil Aviation Organization, which will meet at Brighton, England commencing June 15,[16] 1953, will be composed as follows:

Chairman:	The Honourable Lionel Chevrier, Minister of Transport, Ottawa
Chief Delegate:	Mr. J.R. Baldwin, Chairman, Air Transport Board, Ottawa
Delegates:	Air Vice Marshall A. de Niverville, District Controller of Air Services, Department of Transport, Montreal, PQ Mr. C.S. Booth, C.B.E., E.D. Permanent Canadian Council Member, International Civil Aviation, Montreal, PQ Mr. O.G. Stoner, Canadian Embassy, Paris
Advisers:	Mr. A.S. Macdonald, Executive Director, Air Transport Board, Ottawa Mr. J.E. Hyndman, Department of External Affairs, Ottawa Mr. J.R. Belcher, Assistant-Secretary, Air Transport Board, Ottawa Mr. P.K. Casey, Air Services Branch, Department of Transport, Ottawa Mr. J.H. Tudhope, Civil Aviation Adviser, Office of the High Commissioner for Canada, London

I have etc.,

BROOKE CLAXTON

552. DEA/72-ADU-58-40

Le chef de la délégation à la septième session de l'Assemblée générale de l'Organisation de l'aviation civile internationale au ministre des Transports

Chief Delegate, Seventh Session of the General Assembly of the International Civil Aviation Organization, to Minister of Transport

Brighton, June 24, 1953

Dear Mr. Chevrier:

The Assembly has reached roughly the half-way mark and this is probably an appropriate time to let you know how things are going. This is the largest Assembly that has ever been held by ICAO with some 51 Member States represented, together with 4 non-member States in the role of observers and several other international organizations also in the role of observers.

Facilities and general atmosphere in Brighton are reasonably good, — in fact the accommodation for conference meetings is excellent. The town itself is not particularly attractive but this has its merits since it reduces the number of diversionary activities. The climate has been bad so far until the last day or two and the hotels are on the whole typical second grade English hotels, adequate but not exciting.

After the usual slow start the various Commissions are now moving ahead fairly steadily. The Economic Commission has decided that work of the Council in its study of charges for airports and air navigation facilities should be expedited with a view to producing a report this year and arising out of this, if necessary, calling a special meeting to try and reach some agreement on an international basis. The question of a multilateral agreement on non-scheduled services has been dealt with and while there was general agreement that the time is not ripe for an overall multilateral agreement, the Commission has directed the Council to study more limited and partial solutions in the hope that some of them may lead to limited progress, — in particular, for example, the request of the Council of Europe for ICAO assistance in exploring the possibility of closer cooperation within Europe.

The Technical Commission has reviewed the general technical field and has not encountered too much difficulty. There was a tendency on the part of the United States to press for excessive reduction in work, particularly as far as regional meetings and assistance are concerned but this was offset by the stronger desire of the smaller nations to profit by the assistance which ICAO offered in this connection. Certain United Kingdom proposals regarding a complete rewording of Annex 8, which is the International Air Worthiness document are to be taken up today.

The Administrative Commission has busied itself primarily with the Budget and with the scale of assessments of Member States, and working groups are busy at both these problems. In both instances the United States is fighting a very vigorous battle for very heavy reductions in budgets and in US contributions.

The Executive Commission has dealt with some of the major administrative issues. The Government of Nationalist China has indicated its intention to again adhere to the Convention and to the Organization and the Executive approved the financial arrangement which would be involved in this event. (No political question as to whether or not the Nationalist Government of China should be allowed to re-enter the Organization came up since in effect if it ratifies the Convention it becomes a member automatically); the only policy question involved therefore was the nature of the financial arrangements to be followed in that event. There was no apparent split between the United Kingdom and the United States on this matter. Although the United Kingdom abstained from voting on the matter it did not request that its vote be recorded as an abstention. We supported the vote on the grounds that it was solely a financial problem that was involved and that the arrangements were satisfactory.

The Executive Commission has also taken action in the matter of admitting Japan to the Organization. Informal feelers have been put out from Yugoslavian observers who have turned up for the first time at an Assembly, which may indicate that they may be thinking of joining the club as well.

The Executive Commission has also indicated that it believes the Organization should have an Assembly only every three years instead of annually. This was decided by a substantial majority in an informal vote, but the question of whether or not this can be accomplished, and if so how, is now before a working group. It may involve actual amendment of the Convention, with all the necessary problems arising out of waiting upon governmental ratifications. Here again majority opinion seems to feel that the only method of proceeding would be by amendment of the Convention and that any other method of trying to stretch the Assembly out to a triennial basis would in effect be merely a device which might conform with the letter of the Convention but not its present spirit; and that therefore in fairness to that minority group which favoured annual assemblies the direct course of amendment should be followed.

These are the highlights although a great many other lesser matters have also been dealt with. It would now appear that the Assembly has a reasonable chance of finishing somewhere between July 3rd and 7th which would be about a week ahead of original plans.

The basic attitude of the United States has been quite noticeable and in conformity with the whole tenor of the new administration in Washington, namely a pretty negative approach on almost every problem and very forceful demand for heavy reductions in programmes and costs, virtually regardless of their merit. One interesting thing that I have noted in this Assembly as compared with the last one which I attended some years ago is the fact that there is a far greater independence on the part of the other Member States in so far as US proposals are concerned; and apparently a much greater willingness to oppose or override US proposals.

There has been less than usual in the way of formal entertainment. This has on the whole been helpful and arose out of a decision at the beginning of the Assembly that in place of individual delegations vying with each other in large receptions, all delegations should join in two big parties, the cost of which would be shared, one to be given to the UK government and City of Brighton and the other to the Secretariat. We were doubtful if we had a large enough entertainment allowance to permit us to share on a fair basis, but with the use of diplomatic privileges which the Conference enjoys in the matter of purchases, etc., it would now appear that this method of proceeding, quite apart from its beneficial results in reducing the amount of hospitality on the side, is also a very economical method of dealing with the problem and will probably by no means use up our entertainment allowance. This method of reducing both the number and cost of social diversions is one which I think could well be followed in other international assemblies.

We are, on the whole, making good progress and I hope now to get back some time by the middle of July, — certainly not after the end of the second week.

In the meantime best wishes,

Sincerely yours,

J.R. B[ALDWIN]

P.S. The matter of headquarters location has not arisen and at present shows no sign of coming up at all although there is no certainty that it might not arise unexpectedly. On the whole however I am reasonably optimistic that the issue is now a dead one.

553. DEA/72-ADU-58-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour la Direction économique

Memorandum by Assistant Under-Secretary of State for External Affairs for Economic Division

[Ottawa], July 31, 1953

Attached are two copies of a paper prepared jointly by Hyndman and Stoner, assessing the ICAO Assembly which met in Brighton. As I have told Stoner in a personal letter, this report is both useful and interesting (two qualities which do not always go together) and will be a good starting point for discussions about future assemblies. An official delegation report is, I understand, being prepared under the direction of John Baldwin. In these circumstances, and because of some of the material in the Stoner-Hyndman report, I think circulation of the latter should be kept within the Department.

R.M. M[ACDONNELL]

[PIÈCE JOINTE/ENCLOSURE]

Évaluation de la septième Assemblée de l'Organisation de l'aviation civile internationale

Assessment of the Seventh Assembly of the International Civil Aviation Organization

Two main impressions were derived from the deliberations of the Seventh Session of the General Assembly of ICAO in Brighton. First, there was an air of maturity and realism in the approach to difficult technical and economic problems. It seemed evident that the Organization had grown into an efficient and stable body and that, parallel with this development, the participating nations had evolved a more realistic approach to many of the problems facing ICAO. The character of the discussions during the Assembly, and the despatch with which work was handled, contributed to the second impression of this Assembly, which was that the importance of these sessions has substantially decreased during the years. This is itself a reflection of the increasing importance of the Council, both in the formulation of major policy decisions and in the detailed preparation for these Assemblies. A third impression, of particular interest to Canada, is the fact that the efforts of some countries to move the Headquarters of ICAO from Montreal appear to have been abandoned, at least for the present, since this issue was not brought up at any time during the course of the Seventh Assembly.

2. It is perhaps a little trite to speak about the maturing process of Specialized Agencies of the United Nations. Nevertheless, the International Civil Aviation Organization appears to have grown up. A sound administrative basis and substantial technical progress have contributed largely to this maturity. But the same observation could be applied with only slight reservations to the more controversial economic field.

3. It is in the economic field, and in particular in the search for multilateral exchange of commercial rights, that the Organization has experienced its greatest hopes and perhaps its greatest disillusionment. There have been three phases or stages of development. The first phase was in 1944 at the Chicago Conference and at the subsequent meetings of PICAO[3] in Montreal, when it was both fashionable and forgivable to expect too much to happen too quickly. Many delegations, and in particular the traditional carrier nations such as Scandinavia, the Netherlands and France, considered that the touchstone of all the Organization's economic achievements was the conclusion of a universal multilateral agreement on the exchange of commercial rights. At the time, to these states anything less represented complete failure. Their enthusiasm was shared in varying degrees by almost all the other contracting states, with the exception of the United States, whose position in international air transport was unique.

4. The second phase came in 1947, when a special conference was called in Geneva, prematurely as it later developed, to try to reach agreement on a multilateral agreement. For the first time, perhaps, national attitudes and interests were clearly

[3] Organisation provisoire de l'aviation civile internationale.
Provisional International Civil Aviation Organization.

brought out into the open. The conference failed, and many delegations went away soured and disillusioned about the prospects of achieving greater co-operation in the economic field. Those countries which were not completely disillusioned by the skirmishings of this conference were left perhaps with a sense of over-caution about any future attempts to achieve multilateral agreement.

5. Now a new phase, clearly marked by the Seventh Assembly, appears to be beginning. At this last Assembly there was evidence that disillusionment and over-caution were being slowly replaced by more positive sentiments. The United States Delegation was much franker in explaining their own position, and the opposing camp, led by France and the Netherlands, seemed less perturbed and upset by this position than they had been in 1947. Most delegations concerned themselves less with paying lip service to the principle of multilateralism and more with trying to sort out those approaches which might constructively and realistically contribute towards greater economic co-operation in international air transport. The Council's findings were revised in a somewhat more positive way, and the Assembly blessed the suggestion put forward by the Council of Europe that ICAO might convene a regional conference of Western European states. The Assembly also recognized that certain other partial solutions might be of value. The desire of the Canadian Delegation to see greater uniformity reached on the form and interpretation of bilateral clauses was received with considerable favour. It may be expected that these and other approaches will continue to be explored by the Council as long as their study gives any hope of improving the existing pattern of economic co-operation.

6. In point of fact, it has long been evident that the United States, as the strongest civil aviation power, was reasonably satisfied with the developing pattern of bilateralism, within which they could obtain in large part what their carriers desired. It also seemed that opposition to bilateralism could be found in the small states, who could justifiably fear free trade in civil air transport in view of their unfavourable competitive position. It now seems that the medium powers in civil aviation, who were the most vocal in pressing for the conclusion of a multilateral agreement, realize the stern opposition which the latter faces, and it may even be wondered if they themselves would really welcome a complete multilateral agreement at the present time, although of course they continue to profess devotion to this objective. Consequently, the decision of the Assembly to explore these partial solutions probably expresses the general feeling of most of the participating nations.

7. After these comments on the basic aspirations of the Organization, it would be perhaps useful to examine the trends in discussion and voting at the Seventh Assembly. Political lineups have always been less evident in ICAO than in many other agencies of the United Nations. For example, there was no attempt of the "Big Three", the United States, the United Kingdom and France, to combine or impose their will on the smaller states. The United States stood quite alone on some issues, although the United Kingdom, with some reservations, was frequently by its side. The attitude of the United Kingdom showed the impact of the Conservative Government's policy on certain parts of the work as, for example, in their desire to facilitate non-scheduled operations; but generally their position was consistent with that of previous years. France, as the self-styled leader of the free traders, seldom found itself in agreement with the United States on basic issues.

8. There was no attempt at this Assembly, as in some of the earlier ones, to hold special Commonwealth consultations. If the various states of the Commonwealth voted differently on many issues, it betrayed less a division in basic outlook than a varied approach to the different problems under consideration. There was no attempt, as at the 1947 Multilateral Conference, by the United Kingdom to try to rally the Commonwealth around its own position.

9. It would be inaccurate, however, to suggest that voting blocs do not exist in ICAO. The Latin American and Arab states still rigidly adhere to the bloc principle. The Arabs were practically always solid in their voting. Iraq and Egypt, who are represented on the Council, naturally tended to be the spokesmen for this group. The representative from Iraq, in particular, has been a useful and helpful member of the Council since its establishment and is overtly pro-Western. It was amusing on occasion to view his embarrassment with his Western friends when he was forced to vote with the bloc against the United States or Canada.

10. The behaviour of the Latin American states was more complex and perhaps more distressing. There were many signs of increasing rivalry for the leadership of the group. Spain found itself in the rather difficult position of trying to be a soldier in two camps that were sometimes in opposition. Some of the Latin American states resented the suggestion that Spain might speak for them. Argentina, a traditional leader of this bloc, continued to display a parochial and legalistic approach to most of the questions under discussion. Venezuela, perhaps impressed with its recent economic development, made what was at times a ridiculous attempt to steal the limelight from Argentina or from Mexico. A recent Departmental memorandum on Latin American attitudes in the General Assembly of the United Nations expressed the hope that the contributions of this bloc would be increasingly constructive. It is regrettable that there were no indications of this at the Seventh Assembly of ICAO. Most of them conformed to the pattern described in the Departmental memorandum, which pointed out that the Latin American states "are long on the rights of states abroad and short on contributions for international purposes and on practical measures at home". With only a few exceptions these states were unable to produce well-informed delegates for the Assembly. They frequently used their voting power irresponsibly and on one occasion combined with the Arab bloc to carry a vote (concerning suspension of voting power of states in arrears) in which states supplying about 80% of the financial support of the Organization were defeated.[4] (Fortunately, this vote was subsequently reversed by another resolution.)

11. There were other unfortunate tendencies apparent at this Assembly. For example, the United States Delegation displayed an exaggerated sense of economy in its desire to cut the budget. The personal concern of some of the delegates about their own future, combined with the traditional rigidity which United States delega-

---

[4] La résolution qui a été rejetée proposait que soient privés du droit de vote tous les États qui ne se seraient pas acquittés de leurs engagements financiers avant le 31 décembre 1951 et qui n'auraient pas par la suite pris des mesures pour régler leurs arrérages.
The defeated resolution provided for the suspension of voting powers for all states that had not met their financial obligation by December 31, 1951 and had not subsequently taken steps to settle their arrears.

tions frequently maintain, made it difficult to negotiate sensible or reasonable compromises.

12. In listing the less favourable tendencies, some word of warning should be given about the increased role which individual Council members are playing at the General Assemblies. For example, at the Seventh Assembly Sir Frederick Tyms, the United Kingdom Council member, was elected President of the Assembly, and two other Commissions were chaired by Council members. It is, of course, imperative that the experience of individual Council members should not be wasted. Nevertheless, the presence of many Council members as Chairmen and spokesmen in the various Committees tended to reduce much of the discussion to personal debates. The Council members are, of course, the real professionals of ICAO, but if they play too aggressive a part at Assemblies they are likely to discourage smaller states. Moreover, now that a full Assembly will be held only every three years, it is important that national administrations should review carefully the work of the Council and the Organization in general. This can perhaps be best achieved by bringing senior officials from the various governments to serve as spokesmen at the Assembly. The United States Delegation was perhaps unique in that their Council member remained in the background, largely in an advisory capacity. This, I believe, was also the intention of the Canadian Delegation until the Assembly drafted the Canadian Council member as Chairman of the Administrative Commission. These comments should not be in any way taken as reflecting on the very high ability of many of the Council members. All of them who served as Chairmen did so with distinction and efficiency.

13. The decreasing importance of Assembly sessions is perhaps a direct result of the efficiency and skill of the Council and the Secretariat of ICAO. Most of the work of ICAO concerns complex technical and economic problems, and the Assembly is perhaps too large a forum to effectively engage in detailed discussions. Nevertheless, it would be a retrograde step if the basic importance of these Assemblies were obscured, since these meetings are the only occasions for a great many of the participating states to acquaint themselves with the work of the Organization and to express their views on major policy questions. Another unfavourable element in the present structure of ICAO is the lack of competition amongst contracting states for positions on the Council of ICAO. This year there were only 21 candidates for the 21 seats on the Council. The balloting on these elections revealed that the Latin American and Arab groups had voted solidly for themselves but had abstained from supporting the Anglo-Saxon states, which include most of the major civil aviation powers. This was additional evidence of the discontent which seems to exist amongst the countries of these groups and was probably intended as a reminder to the major civil aviation powers that increasing attention should be given to the views and desires of smaller states.

14. If a final criticism should be made of the Assembly it is that too many states are still badly informed and unaware of the real issues. It was hoped that the rotation of the various states on the Council would help to rectify this, but in fact there has been relatively little change in the composition of the Council over the past eight years. The Council must bear constantly in mind the need to produce documentation and information which can be readily understood and appreciated by the

less experienced states which do not serve on the Council, but represent well over half of the total representation at ICAO Assemblies.

15. There were encouraging signs, however, that the technical assistance missions in certain countries were proving useful. There was some evidence also that under-developed countries felt that ICAO should develop its own technical assistance fund apart from the general United Nations programme. As the allotments from the latter to ICAO decrease, it may be expected that this pressure will increase.

554. DEA/72-ADU-58-40

Rapport sur la septième session de l'Assemblée de l'Organisation de l'aviation civile internationale

Report on Seventh Session of the Assembly of the International Civil Aviation Organization

[n.d.]

Attached hereto are the basic reports of the working commissions and committees of this Assembly, namely, the Executive Committee† and the Administrative, Technical† and Economic† Commissions. There is no need to attempt a summary of these documents since they are themselves brief and to the point.

Canada as usual played a fairly important role not only in the contribution of its delegates in individual committees and commissions, but in responsibilities placed upon it in the manner of official duties in the Assembly and its sub-bodies. There are, however, certain general comments relating to the political background of national participation in this particular Assembly which are of basic importance to the future of ICAO and may be of general importance in relation to other international organizations.

The appearance of a Latin-American bloc and a Middle-Eastern Arab bloc at previous Assemblies and the occasions upon which they have worked together had previously been noted as a dangerous tendency. During the Seventh Assembly which unlike the Fifth and Sixth was a major Assembly this association became not only more marked but also showed that it could carry a majority vote in the Assembly on difficult questions even though most of the Western European and Commonwealth nations as well as the United States might be on the other side. This was in part because at the major Assembly a number of the smaller Latin-American or Arab states were represented which had not been present at the intervening so-called minor Assemblies. One example of this is to be found in the work of the Executive Committee on the action with regard to States whose contributions were in arrears.

The results of this development were equally apparent in the result of the voting for the election of the new Council. The number of States running for election to the Council was exactly the same as the number of States to be elected and so there was in effect little competition although it was necessary to ensure election for each State to receive two-thirds of the vote cast. If more than one-third of the States

abstained therefore from voting for any particular state that state would have failed of election. Fifty-one States voted in the Assembly for the election to Council and thus the necessary number of votes for election was thirty-four. The results were as follows: Mexico 50, Argentina 49, Italy, Spain & Venezuela 48, Egypt, Lebanon 47, Portugal 45, Brazil 44, Ireland & Norway 43, Belgium & France 42, India, Philippines, UK, & US 41, Netherlands 40, Canada 39, Australia 38, South Africa 36. The abstentions in the case of South Africa may of course be explained in part by its domestic policies but it is noteworthy that there must also have been a substantial number of abstentions in the case of voting for a number of other States such as the US, UK, Canada, the Netherlands, etc.

I believe this matter requires very serious consideration in relation to ICAO since if this development is continued and carried further at the next major Assembly, presumably in 1956, the effectiveness of ICAO may be seriously undermined.

J.R. B[ALDWIN]

International Civil Aviation Organization
Assembly Seventh Session

REPORT OF THE CANADIAN DELEGATION ON THE WORK OF THE ADMINISTRATIVE COMMISSION

Reference: Report of the Administrative Commission A7-WP/74-AD/15 (Addenda and Corrigenda).†

Canadian Representatives on the Commission

Mr. A.S. Macdonald, Delegate
Mr. J.E. Hyndman, Adviser

Note: C.S. Booth was elected Chairman of this Commission by the Assembly and presided at all its meetings.

The main items dealt with in the Administrative Commission were:

(1) The budget for 1954 as proposed by the Council;

(2) The apportionment of the expenses of ICAO among Contracting States and the principles upon which assessments were to be based:

(a) for 1954;

(b) in future years.

The other items of the agenda for the Commission were of a routine nature. They did not give rise to much discussion and they do not require comment here.

A brief general debate on the budget for 1954 took place in the Commission at its first and second meetings on Thursday, June 18th during which general statements were heard. Detailed study then shifted to a working group and finally the Commission resumed general debate on the report of the working group on June 26th. Canada was not a member of this working group. Great emphasis was placed by all delegates on the paramount need for economy. It was clear from the outset however, that most States were reasonably satisfied that the work programme and budget of ICAO for 1954 was satisfactory and realistic. The Canadian delegation explained its position, supporting in general the proposed budget.

The United States, supported by Pakistan notably, and the Philippines, argued strongly for large budget cuts to be achieved both by a reduction in the work programme, notably in the number of regional meetings and of meetings of the Legal Committee, and by improved efficiency. It was proposed that ten posts in the Secretariat be abolished.

The United Kingdom supported the United States on a number of occasions, although on balance they were satisfied with the present scale of activities. Several states favoured an extension of the work of ICAO, the under-developed countries in particular. France did not want any increase in the budget, but wanted more emphasis to be placed on the economic aspects of ICAO's work, which presumably would be achieved by re-allocating some funds from other activities. At the final Plenary Meeting the French Delegation proposed a resolution along those lines, leaving it to the Council to exercise its discretion in the allocation of funds and the French proposal was adopted on a vote of 18 for, 3 against with 5 abstentions. The Netherlands strongly opposed any slowing down of ICAO's work.

The total reduction of the budget achieved by the Working Group of $52,940 was approved by the Commission; Canada voting in favour. At the final Plenary Session the United States delegation proposed and were successful in securing a further reduction of $36,666 on a vote of 23 for, 17 against with 7 abstentions. The Canadian delegate opposed this proposal on the ground that no convincing evidence in support of this reduction had been given.

The United Kingdom sponsored a resolution calling for an investigation of the Secretariat of ICAO to determine whether any economies were possible and this was carried after some debate. This resolution in its final form incorporated an amendment proposed by the Delegate of Venezuela directing the Council to pay particular attention to the work of regional offices in this investigation. This amendment was supported solidly by a Latin-Arab block. The Canadian delegation voted in favour of the amended resolution, as in its final form it gave Council considerable discretion in the conduct of this investigation.

Apportionment of expenses among Contracting States —

The working group established to examine the 1954 scale of assessments made few changes in the scale proposed by the Secretary-General. The Commission approved the report of the working group, despite determined United States efforts to maintain their assessment at 27% instead of the 29.7% proposed. The United States draft resolution on that point was decisively defeated. On this occasion, because of the obvious reluctance of others to resist the US position, the Canadian delegation found it necessary to make a strong statement supporting the proposed scale of assessments for 1954 and in particular the US assessment at 29.7%. The Canadian delegate re-affirmed the view that the US contribution should be brought up to 33⅓% as soon as possible. He reminded the delegates that if the United States were to be assessed simply on a "capacity to pay basis" or on the basis of "interest and importance in civil aviation", they would pay about double their present assessment. In effect, as matters stood at present, he pointed out, a number of Contracting States were penalized because of the United States assessment being too low. In the full Commission, notwithstanding the decision of the Budget Working Group not to

recommend any transfer from the Working Capital Fund in aid of the Budget, the United States succeeded in getting a resolution passed authorizing the transfer of $200,000 for this purpose. Canada opposed this proposal in view of the apparent probability that it would have to be replaced through additional assessment on States in one, or at the most, two years.

Per Capita Principle —

As it seemed likely that any prolonged debate on this issue and in particular any effort at getting more recognition for the per capita principle then contained in the conclusions of the Council (Document A7-WP/16-AD/5)† would bring out into the open the latent opposition of a considerable majority of States and would result in a decisive defeat of the proponents of this principle, the Canadian delegation expressed its willingness to support the conclusions of the Council and in effect to defer the full application of the per capita principle until the maximum contribution had reached 33⅓%. The United Kingdom delegation, whose representative in Council had been our most bitter critic on this point, spoke at some length on this subject, strongly urging the per capita principle; the reason being, of course, that their own shoe is beginning to pinch. The Australian delegation spoke in a similar vein. France and Mexico placed on record their unequivocal opposition to the per capita principle. The result of the discussion on this issue has been to maintain the status quo for the present.

Interest and Importance in Civil Aviation —

The debate on this question showed general agreement with the conclusions of the Council (Doc. A7-WP/17-AD/6).† In particular the need for simplification of the assessment procedures was discussed by a number of delegates. The French delegation went further and placed on record their view that the Organization should study the possibility of adopting a single criteria for the assessments, namely the capacity to pay in the manner adopted by UNESCO. It seemed to be indicated that they will raise this question again in Council.

Scale of Assessments for 1955 —

As a result of the debate on the per capita principle and on the interest and importance in civil aviation, a draft resolution was prepared on the principles to be applied for the assessments in 1955. This resolution followed without modification the suggestions made by the Council.

In conclusion it can be said that the work of the Administrative Commission reflected a sincere desire for economy on the part of most States. As expected, the United States were the most determined and the most drastic in their suggestions. The failure to effect any serious cuts was an indication that most States were well satisfied with the scale of activities of ICAO and believed the Organization was performing this work efficiently and economically.

There was no reference in the debates to "the high cost of living in Montreal" and it appears that any attempt to build a case for the transfer of the Headquarters from Montreal has, for the present at least, been abandoned.

2e PARTIE/PART 2

RELATIONS AVEC DES PAYS PARTICULIERS
RELATIONS WITH INDIVIDUAL COUNTRIES

SECTION A

AUSTRALIE
AUSTRALIA

555. DEA/72-AHC-40

Le président de la Commission des transports aériens au sous-secrétaire d'État aux Affaires extérieures

Chairman, Air Transport Board, to Under-Secretary of State for External Affairs

Ottawa, September 8, 1953

Dear Sir:

CANADA — AUSTRALIA AIR AGREEMENT

As you are aware, it was arranged that discussions would take place between representatives of Canada and Australia following the ICAO meetings in Brighton. The discussions were held in London between July 6th and 14th, the Canadian representative being Mr. A.S. Macdonald, Executive Director and Legal Adviser of the Air Transport Board, and the principal Australian representative being Mr. A.B. McFarlane, Director of Air Transport and External Relations of the Australian Department of Civil Aviation. The subject was fully explored but no real progress towards a satisfactory solution was achieved.

The Australians continue to hold the restrictive views previously expressed with regard to the capacity and frequency provisions in the present bilateral agreement with Canada, particularly that a designated airline of either country shall be entitled only to such capacity as will provide for the actual traffic between the terminal points in the two countries and that prior governmental approval is necessary for changes in frequencies. They do not recognize traffic originating or terminating behind the Canadian terminal as legitimate Canadian traffic and put particular emphasis on UK traffic which they claim for their own in this connection. They lay great stress on the necessity to maintain by their own airlines, direct channels of communication between the UK and the USA.

In essence, after reiterating the arguments previously advanced in correspondence, the Canadian view advanced was that the bilateral agreement between Australia and the USA permits operation under the Bermuda formula as to capacity and that we expect to receive from the Australians both in letter and in practice as good treatment as does the United States, particularly when both the United States and

ourselves operate between the North American Continent and Australia under approximately similar conditions.

It was recognized in the discussions in London that the present agreement between Canada and Australia is not satisfactory and should be redrafted. It should be remembered that the present form was adopted before either the Bermuda or Geneva formulas on capacity were developed. There are several articles which are difficult to interpret and others which are not now satisfactory to either country.

The present position is that the Australians expect us to send a delegation to Australia as soon as possible to deal with the whole matter. They feel that there is no value in further correspondence and that the only course now is to sit down and attempt to agree on a workable arrangement. Mr. Macdonald feels they do not want to see a complete break in aviation relations with Canada and will make some attempt to reconcile our differences. At the same time, negotiations will not be easy and formal intergovernmental representations on a high level through External Affairs at least before and possibly during negotiations will undoubtedly be necessary to produce a co-operative attitude at the working level in the Australian Ministry of Civil Aviation.

During the discussions the Australians were told that in view of the then approaching Canadian election, it would be extremely difficult to give a firm commitment as to the date at which it would be possible for a Canadian delegation to go to Australia but, in any event, it would not be before November. The Australians expressed their understanding of our position but stated that an early meeting was, in their opinion, desirable and that the next move was up to Canada.

The Australians were assured that there was no intention on our part to delay unduly the conclusion of the discussions. It now appears that having in mind the other commitments of the Board, it may not be possible to send anyone to Australia much before early January 1954.

You will remember that Canadian Pacific Air Lines is operating its increased frequency under an authorization, the period of which expires in September 1953. In response to the Canadian request made during discussions in London the Australians indicated that there would be no difficulty about a further extension until the conclusion of the next discussions but suggested that we make a formal request for such an extension.

I suggest that we should now advise the Australian government that we would like to agree with them on a suitable time and place for discussions and at the same time submit a formal request for an extension of the period during which CPAL may continue their frequency of one flight per week until these discussions have taken place. In this connection, the Australians should be informed that it would be exceedingly difficult for us to send adequate representation to Canberra for discussions much before the end of the year but that this might be possible during January if that time were satisfactory to the Australian officials.

Sincerely yours,

J.R. BALDWIN

SECTION B

MEXIQUE
MEXICO

556. DEA/72-ACU-40

Note du président de la Commission des transports aériens pour le ministre des Transports

Memorandum from Chairman, Air Transport Board, to Minister of Transport

[Ottawa], March 2, 1953

AIR AGREEMENT WITH MEXICO

I was visited on February 28th by the new Director-General of Civil Aviation of the Mexican government, General Salinas Carranza, who is prepared to proceed with the negotiation of a bilateral agreement. His suggestion was that Canadian officials should go to Mexico in April for informal and exploratory talks with a view to reaching agreement in principle, particularly on routes and traffic points; and that this meeting should be followed later by further official work to complete the details of the document and a final meeting for signature in Montreal or Ottawa.

While General Salinas was not prepared to go into specific details he appeared anxious to have a bilateral agreement and to see direct air service between Canada and Mexico. I am inclined to feel from his conversation that it may well be possible to get their agreement to an eastern route for TCA although it was not clear whether if we get both an eastern and a western route for Canada, Mexico would also expect an eastern and a western route (which we would be prepared to give), or would prefer to have something in the way of additional concessions on a single eastern route to offset our two routes. This could only be determined in actual negotiation.

One point was stressed which I think may be fundamental to solution of the issue. General Salinas indicated that the Mexicans are extremely anxious to have direct air communication provided at once because of present demand for service. He asked if in this connection we would be prepared to allow KLM[5] to carry traffic between Montreal and Mexico for the period only until either a Canadian or a Mexican airline established service between eastern Canada and Mexico, KLM rights to be cancelled at that time. While I am worried over anything that looks like the "foot in the door" principle, it seems that the Mexicans place great importance on this. There would be no particular objection to letting KLM carry this traffic at present since it would not injure any Canadian aviation interest, so long as we are prepared to insert a firm condition in any such permission cancelling it automatically as soon as a Canadian or Mexican airline starts service; and so long as we are prepared to stick to our guns in this cancellation rather than change our minds at a later date.

---

[5] Royal Dutch Airlines.

I have also spoken to Gordon McGregor[6] who I believe would agree that there is no particular objection to KLM carrying the traffic at present so long as we are prepared to withdraw this right from KLM when TCA or a Mexican airline starts service and are not prepared to give in to the further pressure that would undoubtedly come from KLM at that time to be allowed to continue.

We might take the line with Mexico that we are prepared to negotiate with them at as early a date as possible and would try to send someone there in April or shortly thereafter; that if we could reach agreement in principle either at that time (or even in advance of that through diplomatic channels) on inclusion in the bilateral agreement of a route for TCA from eastern Canada and can get a written Mexican commitment to this principle, we might state that we would allow KLM to carry traffic on an interim basis only after this agreement in principle is reached; this to be on the understanding that KLM rights would automatically cease on the introduction of Canadian or Mexican service and that they would not be continued regardless of the pressure which may come from the Netherlands government in this regard.

For your direction, please.

J.R. BALDWIN

557. DEA/72-ACU-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour la Direction économique

Memorandum from Assistant Under-Secretary of State for External Affairs to Economic Division

CONFIDENTIAL [Ottawa], April 30, 1953

BILATERAL AIR AGREEMENT WITH MEXICO[7]

I think that this Department would agree with Mr. Baldwin's general approach as a basis for conducting exploratory talks. The chief comment that I would offer is that we should be pretty cautious in the opening stages about what we are prepared to do for KLM. This may turn out to be one of our best bargaining cards since the Mexicans are apparently anxious to have KLM supply the route as soon as possible and so are the Dutch (the Netherlands Ambassador mentions it to me every now and then). The nature and timing of any permission given to KLM may be a critical element in reaching agreement and we should hold out the carrot without committing ourselves too firmly at the start.

---

[6] Président de la TCA.
President, TCA.

[7] Note marginale:/Marginal note:
These comments were passed on to Mr. A.S. Macdonald by telephone on May 1. J.E. H[yndman] [A.S. Macdonald était directeur exécutif et conseiller juridique de la Commission des Transports aériens./A.S. Macdonald was Executive Director and Legal Adviser, Air Transport Board.]

One reason for extracting the utmost in the way of counter-concessions is that we can anticipate a lot of unpleasantness in getting KLM to give up the route when a Mexican or Canadian carrier starts operating. No matter how carefully the temporary nature of such an arrangement is spelled out there is bound to be trouble when the time comes to vacate. We ought therefore to satisfy ourselves that we are getting full value for any concession involving KLM, and should make the stipulations about temporary service as binding and as widely recognized as we can. We should aim at making the point in at least three ways:

(1) in an agreement with Mexico;

(2) in an agreement with the Netherlands; and

(3) in public statements in the House of Commons and elsewhere.

R.M. M[ACDONNELL]

558. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], May 13, 1953

. . .

TRANSPORT; AIR SERVICE AGREEMENT WITH MEXICO

1. *The Prime Minister* submitted a recommendation by the Minister of Transport for authorization to sign a bilateral agreement with the government of Mexico on air services.

2. *The Cabinet* approved the recommendation of the Minister of Transport, concurred in by the Secretary of State for External Affairs, and agreed that J.R. Baldwin, Esq., be authorized to sign, on behalf of Canada, a bilateral agreement with Mexico to provide for the establishment of air services between Canada and Mexico, under which direct air connections on a reciprocal basis would be authorized between Vancouver and Mexico City and between points in eastern Canada and Mexico City; an Order-in-Council to be passed accordingly.

(Order-in-Council P.C. 1953-772, May 13)†

. . .

559. DEA/72-ACU-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Mexique

Secretary of State for External Affairs
to Ambassador in Mexico

DESPATCH E-197 Ottawa, June 11, 1953

AIR AGREEMENT BETWEEN CANADA AND MEXICO

As soon as the Air Agreement between Canada and Mexico becomes effective, we would be grateful if you would send a formal note to the Mexican Government indicating that Canada has designated Trans-Canada Air Lines as the Canadian airline to operate the route from Montreal and Toronto to Mexico City and Canadian Pacific Airlines as the Canadian airline to operate the route from Vancouver to Mexico City. This formal procedure is required under the agreement as a necessary preliminary step before any permit can be granted. It might be possible for you to take this step at the same time as will take place the supplementary Exchange of Notes relating to KLM and the use of Rio de Janeiro by CPA.

2. Once the Exchange of Notes has taken place, please inform Mr. Loaeza, Assistant Director of Civil Aviation in Mexico that TCA will be getting in touch with him in order to determine what steps will have to be taken so that TCA may be granted a permit to operate. TCA's intention is to begin operations by August 1st.

A.E. RITCHIE
for Secretary of State
for External Affairs

560. DEA/72-ACU-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], July 2, 1953

AIR AGREEMENT WITH MEXICO

At this time, when it is felt in certain quarters that negotiations for the conclusion of an air agreement between Canada and Mexico are proceeding too rapidly, it might be desirable to review some of the reasons which make the conclusion of such an agreement highly desirable for Canada.

(a) It is the desire of Canadian airlines to expand to the south as far down as Peru, Brazil and, eventually, Argentina. Due to the geographical position of Mexico, it is indispensable that an air agreement be reached with that country in order that our airlines may find the door open to South America. More than 20 countries, including the USA, have been trying for years to obtain what Canada is about to get with

this proposed agreement. Should negotiations fail or should the Mexicans have a change of mind, Canadian airlines might very well find South America closed to them for some years to come.

(b) At the moment there does not exist any Mexican airline capable of flying between Canada and Mexico and, therefore, our airlines would have, at the beginning at least, a monopoly of the traffic.

(c) It should be noted that while TCA will be the designated Canadian carrier on the Eastern route (Montreal-Toronto-Mexico City), the CPAL will be serving the Western group, i.e. Vancouver-Mexico City. CPAL is most anxious and ready to begin flying this route as soon as possible. Furthermore, Mr. McGregor, President of TCA, and Mr. Fred Wood, his Executive Assistant, both stated on June 9 and June 10 that TCA itself would be ready to begin service by August 1. Negotiations had been proceeding on the basis of this information supplied to us and to the Air Transport Board.

(d) TCA would have no reason to fear that KLM might establish itself permanently on the Eastern route should it be permitted to fly temporarily until TCA is itself ready to take over. The Dutch would, of course, be warned that any concession to KLM will be for a very short period. Any Exchange of Notes with the Netherlands Government would clearly indicate a firm cut-off date. Finally, KLM would wish to obtain a temporary permit from the Air Transport Board. This permit would also indicate specifically the termination date of KLM service.

2. At the present time, our attitude is neither to press nor delay the negotiations with Mexico but to let them follow their normal course.

L.D. W[ILGRESS]

561. DEA/72-ACU-40

L'ambassadeur au Mexique
au secrétaire d'État aux Affaires extérieures

Ambassador in Mexico
to Secretary of State for External Affairs

TELEGRAM 62 Mexico City, July 27, 1953

IMMEDIATE

BILATERAL AIR AGREEMENT

Reference: Your No. 69 of July 23.†

Exchange of Notes was completed today.

562. DEA/72-ACU-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur des Pays-Bas

Secretary of State for External Affairs
to Ambassador of the Netherlands

LETTER NO. [SENT UNNUMBERED] Ottawa, September 2, 1953

Excellency,

I have the honour to refer to the Exchange of Notes of June 2, 1948, between Canada and the Netherlands supplementary to the Agreement for Air Services between the two countries signed at Ottawa, June 2, 1948, and to the Agreement between the Government of Canada and the Government of Mexico for air services between and beyond their respective territories, concluded by means of an Exchange of Notes on July 27, 1953.† This latter Agreement, *inter alia*, provides for the operation by an airline designated by the Government of Canada over a route between Montreal or Toronto, Canada, and Mexico City, Mexico, and for the operation by an airline designated by the Government of Mexico over a route between Mexico City, Mexico, and Montreal, Canada.

During the discussion which preceded the negotiation of this Agreement it was recognized by the Canadian and Mexican representatives that, for technical reasons, it might not be practicable for either a Canadian airline or a Mexican airline immediately to begin operations over the routes referred to in the preceding paragraph. At the same time it was agreed that it was in the interests of the two countries that direct air services between Montreal or Toronto and Mexico City should commence as soon as possible. In these circumstances consideration was given to a proposal made to both Governments that KLM, a Netherlands airline, be allowed to operate between Montreal and Mexico City until such time as either a Canadian or a Mexican airline begins operations over one of the routes referred to above.

I am instructed to inform you that the Canadian Government is prepared to enter into an Agreement with the Netherlands Government under which, as a temporary measure, KLM will be authorized to operate an air service in both directions between Montreal and Mexico City subject to the following conditions:

(a) KLM may put down or take on at Montreal, Canada, traffic in persons, goods and mails coming from or destined for Mexico City, Mexico, and may put down or take on at Mexico City, Mexico, traffic in persons, goods, and mails coming from or destined for Canada.

(b) The operation of the service shall be conducted by KLM in accordance with the laws and regulations of Canada and Mexico ordinarily applicable to international air services.

(c) This temporary authorization for KLM shall expire as soon as either a Canadian or a Mexican airline is to begin operating a service on the specified routes, Montreal or Toronto – Mexico City and Mexico City – Montreal respectively. The exact date for the cessation of the KLM air service will be communicated to the Netherlands Government at least thirty days in advance of the proposed date of

commencement of air service by the Canadian or Mexican airline. Advice will be given by the Government of Canada or the Government of Mexico depending on whether the airline service will be operated by a Canadian or Mexican company.

If this proposal is acceptable to the Netherlands Government, I suggest that this note and your reply shall constitute an agreement between our two Governments.

Accept, etc.

R.M. MACDONNELL
for Secretary of State
for External Affairs

563. DEA/72-ACU-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

DESPATCH E-992 Ottawa, September 2, 1953

RESTRICTED

CANADA-MEXICO AIR AGREEMENT

Through an Exchange of Notes which took place on August 27, 1953,[8] Canada and Mexico have concluded a bilateral air agreement under the terms of which Trans-Canada Air Lines will operate service between Montreal/Toronto and Mexico City via Tampa, Florida, USA.

2. The Canada-United States Air Transport Agreement provides for fifth freedom rights[9] at Tampa/St. Petersburg to the Bahamas and/or points in the Caribbean and

[8] La date exacte est le 27 juillet 1953.
The correct date is July 27, 1953.

[9] Les cinq libertés de l'air sont:
1) Le privilège de traverser un territoire sans atterrir;
2) Le privilège d'atterrir pour des raisons non-commerciales;
3) Le privilège de débarquer des passagers, du courrier et des marchandises embarqués sur le territoire de l'État dont l'aéronef possède la nationalité;
4) Le privilège d'embarquer des passagers, du courrier et des marchandises à destination du territoire de l'État dont l'aéronef possède la nationalité;
5) Le privilège d'embarquer des passagers, du courrier et des marchandises à destination du territoire de tout autre État Contractant et le privilège de débarquer des passagers, du courrier et des marchandises en provenance du territoire de tout autre État Contractant.

The Five Freedoms of the Air are:
First Freedom: The freedom to fly across a territory without landing;
Second Freedom: The freedom to land for non-traffic purposes;
Third Freedom: The freedom to put down passengers, mail and cargo taken on in the territory or the State whose nationality the aircraft possesses;
Fourth Freedom: The freedom to take on passengers, mail and cargo destined for the territory of the State whose nationality the aircraft possesses;
Fifth Freedom: The freedom to take on passengers, mail and cargo destined for the territory of another State and the privilege to put down passengers, mail and cargo coming from any such territory.

beyond.[10] It is not likely that the United States authorities would agree that Mexico City falls within the description of this route.[11] However, TCA does not propose to exercise traffic rights between Tampa and Mexico City and it is not anticipated, therefore, that the United States authorities will raise any objection to the proposal.

3. It is, nevertheless, our view that the matter should be cleared before TCA completes its plans for inauguration of the service, and I should be grateful if you would notify the United States authorities of TCA's intention and obtain their concurrence as soon as possible.

4. TCA proposes, at least on an interim basis, to use the same aircraft as are employed on the service to and from Montreal/Toronto and Tampa under the Canada-United States Bilateral for the purpose of operating to and from Mexico City under the Canada-Mexico Agreement. No traffic privileges will be exercised between Tampa and Mexico; insofar as Mexico is concerned the stop at Tampa being for non-traffic purposes under the provisions of the International Air Services Transit Agreement.

5. It might also be useful to advise the United States authorities that TCA does not intend to use Windsor, Ontario, as an intermediate point so long as service is operated via Tampa. It should be pointed out, however, that the establishment of the service Canada – Mexico via Tampa, without exercise of traffic rights at this point, is without prejudice to any future application that may be made for traffic privileges between Tampa and Mexico under the Canada – United States Air Transport Agreement.

6. TCA wishes to commence this service as soon as possible and, for various reasons, I should be grateful if this matter could be expedited.

J.H. WARREN
for Secretary of State
for External Affairs

564. DEA/72-ACU-40

L'ambassadeur des Pays-Bas
au secrétaire d'État aux Affaires extérieures

Ambassador of the Netherlands
to Secretary of State for External Affairs

NOTE NO. 5098 Ottawa, September 3, 1953

Sir,

I have the honour to refer to your note of September 2nd, 1953, by which you informed me that the Canadian Government is prepared to enter into an Agreement with the Netherlands Government under which, as a temporary measure, the Royal

[10] Note marginale:/Marginal note:
inaccurate

[11] Note marginale:/Marginal note:
not only not likely but even if they did, TCA's licence is specific. C.

Dutch Airlines (KLM) will be authorized to operate an air service in both directions between Montreal and Mexico City subject to the following conditions:

(a) KLM may put down or take on at Montreal, Canada, traffic in persons, goods and mails coming from or destined for Mexico City, Mexico, and may put down or take on at Mexico City, Mexico, traffic in persons, goods and mails coming from or destined for Canada.

(b) The operation of the service shall be conducted by KLM in accordance with the laws and regulations of Canada and Mexico ordinarily applicable to international air services.

(c) This temporary authorization for KLM shall expire as soon as either a Canadian or a Mexican airline is to begin operating a service on the specified routes, Montreal or Toronto – Mexico City and Mexico City – Montreal respectively. The exact date for the cessation of the KLM air service will be communicated to the Netherlands Government at least thirty days in advance of the proposed date of commencement of air service by the Canadian or Mexican airline. Advice will be given by the Government of Canada or the Government of Mexico depending on whether the airline service will be operated by a Canadian or Mexican company.

I have pleasure in informing you that this proposal is acceptable to the Netherlands Government and that my Government agrees with your suggestion that the exchange of your note and this answer shall constitute an Agreement between our two Governments.

I may add that the Royal Dutch Airlines have informed me that they are ready to start the air service above-mentioned on September 9th, 1953, subject to the receipt of a relative permit from the Air Transport Board, which already has been applied for by KLM.

Accept, etc.

A.H.J. LOVINK

565. DEA/72-ACU-40

L'ambassade aux États-Unis
au sous-secrétaire d'État aux Affaires extérieures

Embassy in United States
to Under-Secretary of State for External Affairs

LETTER NO. 1910 Washington, October 6, 1953

RESTRICTED

CANADA-MEXICO AIR AGREEMENT

Reference: Despatch No. E.992 of September 2, 1953.

As you requested in your despatch under reference we referred to the United States authorities the proposed service by Trans-Canada Airlines between Montreal/Toronto and Mexico City via Tampa, Florida. We have been pressing the State Department for a reply to our letter containing this information and we have

been informed that the matter has been referred to the Civil Aeronautics Board and has been considered of sufficient importance by the officials of the CAB[12] that they are in the process of consulting the members of the Board. We have been told informally that the Board officials are concerned about TCA's proposal to use the same aircraft as are employed on the service to and from Montreal/Toronto and Tampa under the Canada-United States Bilateral for the purpose of operating to and from Mexico City under the Canada-Mexico Agreement, even though they have been told that the stop at Tampa, insofar as Mexico is concerned, would be for non-traffic purposes under the provisions of the International Air Services Transit Agreement.

2. The State Department is not able to forecast what the answer of the United States authorities will be. We have asked State Department officials to do as much as they can to hasten this answer and we are now told that we may receive a reply by the end of this week or the beginning of next week.

D.V. LEPAN

566. DEA/72-ACU-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-1722 Ottawa, October 15, 1953

RESTRICTED

CANADA-MEXICO AIR AGREEMENT

Reference: Our despatch No. E-992, September 2, 1953. Your letter No. 1910, October 6, 1953.

It is possible that United States authorities do not fully appreciate that the Montreal-Mexico City service will be temporary and, therefore, I should be grateful if you would make clear that, when equipment is available, a direct route Windsor-Monterrey will be operated.

TCA has learned quite unofficially that our request cannot be decided before some basic issue is resolved by the CAB. It has not been possible to obtain further information on this point and it might be that you will be able to obtain elucidation through informal talks.

It would be in order for you to emphasize to the State Department the great importance we attach to obtaining this right and how seriously we would regard a refusal.

[12] Civil Aeronautics Board.

567. DEA/72-ACU-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2383 Washington, October 20, 1953

RESTRICTED. IMPORTANT.

CANADA-MEXICO AIR AGREEMENT

Reference: Your teletype EX-1722 of October 15, 1953.

As you requested, we discussed yesterday with E.A. Bolster, Chief of the Aviation Policy Staff, Department of State, our request that Trans-Canada Airlines be allowed to make a non-traffic stop at Tampa, Florida, in its Montreal-Toronto-Mexico City service. We were told that the State Department had not yet received an answer from the Civil Aeronautics Board but that this was expected very soon and that within a few days we would have a reply to our letter to the State Department. We were informed, however, that our enquiry had raised a difficult question of principle and it was virtually certain that the reply would be unfavourable.

2. Mr. Bolster explained that, as a matter of general policy, the United States had insisted on obtaining full traffic rights for United States airlines serving points abroad. For example, the United States authorities had refused Pan American Airlines permission to apply for limited traffic rights between Auckland and Sydney. In order to safeguard their bargaining power, the United States were anxious to ensure that foreign aircraft serving points in the United States be given full freedom rights at those points and therefore they considered it necessary to refuse applications for limited traffic rights. Unless the United States authorities were consistent in implementing this policy, they might find it more difficult to obtain full freedom rights for United States scheduled airlines in foreign countries. A concession of limited traffic rights might prove an embarrassing precedent.

3. The State Department officials stated that the service proposed by TCA would not come within the terms of the United States-Canadian Bilateral Agreement, which specifies service beyond Tampa to points in the Caribbean and beyond; and since the aircraft used by TCA would also carry passengers to Tampa, the request could not be considered as coming within the International Air Services Transit Agreement. We were told that the United States authorities would have no objection to our request if (a) the plane on the once-a-week run from Montreal to Mexico City, stopping at Tampa, carried no passengers for Tampa, or (b) another transit point for the Montreal-Mexico route were suggested. These suggestions would remove TCA's difficulty if the lack of equipment referred to in EX-1722 meant lack of long-range equipment, but would not help if TCA lacked aircraft. Bolster also admitted that the alternative possibilities he had suggested would not be very attractive from the economic point of view.

4. We then asked if it would make any difference to the expected unfavourable reply if we could assure the State Department that the proposed service would be of short duration and if we could give them a definite time when it would be changed to a direct service between Windsor and Monterrey. We made this suggestion because your teletype EX-1722 seemed to be more explicit concerning the temporary nature of the proposed service than the information contained in letter E-992. We were told that if we could give such an assurance, State Department officials would see that this point was given full consideration. State Department officials think that it would be preferable for them to have such information before sending us an official reply to our original enquiry. We would, therefore, be grateful to have from you as soon as possible an indication of how long TCA would wish to operate via Tampa using the same plane as on the Montreal-Toronto-Tampa route.

568. DEA/72-ACU-40

Extrait d'un télégramme du secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Extract from Telegram from Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-1782 Ottawa, October 22, 1953

RESTRICTED. IMMEDIATE.

CANADA-MEXICO AIR AGREEMENT

Reference: Your teletype WA-2383, October 20.

The information that the United States reaction to our request is likely to be unfavourable is most disturbing. Canadian Civil Aviation authorities had assumed in negotiating the Mexico Air Agreement that there would be no difficulty about a non-traffic stop at Tampa, and arrangements have proceeded on this basis. Whatever the technicalities may be, it is considered that the narrow and restrictive interpretation apparently given by the CAB to the definition of "non-traffic stop" is contrary to the spirit and intent of the International Air Transit Agreement. If this interpretation is maintained and TCA had to operate two aircraft to Tampa, it is clear that hardship would result for the Canadian airline.

2. We would like you to re-open this matter with the United States authorities on whatever level you think would be most effective in bringing about a modification of the attitude of the CAB. Leaving the legal position aside, it seems to me that there are two main arguments which you could advance at policy level. In the first place, a refusal by the United States to accord us the privilege requested would be contrary to the practice, which has been followed by the major air-faring nations, such as the United Kingdom, France, and Holland, who have been willing to accord the necessary permission in cases where this made good sense, and without too much regard to the strict interpretations of prevailing Air Agreements. In the second place, it should be pointed out that in relation to United States airlines, Canada has been extremely liberal in interpreting its bilateral agreement, and to the extent

possible, has simplified and facilitated the regulations relating thereto. Specifically, it might be pointed out that we have raised no objection to the Pan American Airlines providing services between Seattle and Fairbanks, calling at Whitehorse, by means of one flight only while being authorized by two different ATB[13] licences to operate service between Seattle and Whitehorse and between Whitehorse and Fairbanks. Moreover, we have not objected to Pan American carrying traffic from Seattle to Fairbanks on what are in effect trans-border services. It may be useful for you to know that Baldwin and others consider that, should the request for the Tampa stop be refused on the grounds outlined by you, the Canadian Government should be urged to reconsider its policy concerning United States air carriers in Canada.

3. We hope that the United States civil aviation authorities appreciate the very considerable embarrassment which refusal of our application would involve. TCA have indicated that inability to use Tampa in the way proposed would, in fact, mean that for some considerable time at least, they would not be prepared to operate on the route. This would necessitate a public announcement, possibly at the ministerial level, explaining why it had become necessary to abandon the proposed service between Montreal and Mexico City. You will appreciate the complications which this would involve, not only here, but in Mexico. The fact that there has been such a long delay on the part of CAB in dealing with our application, makes the position even more difficult as administrative arrangements such as advertising, pre-inaugural flight, etc. have all gone forward in the expectation of a favourable reply. Plans have been made to initiate commercial flights on October 31 and tickets have been sold on this basis. TCA is for the moment proceeding with this plan. The length of the delay in dealing with this matter would seem to indicate that the CAB is not itself confident of the reasonableness and rightness of the restrictive position they apparently propose to adopt.

4. Neither of the alternatives outlined in your paragraph 3 is acceptable from the economic point of view. We are anxious that you should press this question with United States authorities on the basis of our original request. We would not wish you to use the argument that employment of the Tampa route would only be of temporary duration. Our view is that the right to use Tampa for a non-traffic stop should be accorded on any basis of equity and practical good sense, and your representations should be in this direction. We would not wish you to get into technical legal arguments about the definition of a non-traffic stop and our rights under the Bilateral Agreement and the Air Service Transit Agreement. However, it might be worth while pointing out that the type of request we have advanced for Tampa would not seem to have been envisaged when the Chicago Convention[14] was negotiated, and that in these circumstances, and bearing in mind the friendly and mutually advantageous relationships which exist between Canada and the United States

[13] Air Transport Board.

[14] Pour l'Acte final de la Conférence internationale sur l'aviation civile, voir Canada, *Recueil des traités*, 1944, n° 36.
For the Final Act of the International Civil Aviation Conference, see Canada, *Treaty Series*, 1944, No. 36.

in the economic field, it would be regrettable if a narrow and restrictive view of the definition of a "non-traffic stop" were maintained by the CAB.

. . .

I should be grateful for a reply by Tuesday, October 27, 1953.

569. DEA/72-ACU-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1791 Ottawa, October 23, 1953

RESTRICTED. IMMEDIATE.

BILATERAL AIR AGREEMENT WITH MEXICO

Reference: Our teletype EX-1782, October 22, 1953.

Further to our teletype under reference and with regard to the question of principle raised by the United States as a reason for refusing our request, it may be pointed out that the United States has not objected on this score in the matter of the operations of certain other foreign airlines into the United States in comparable, if not identical, circumstances. The United States is apparently objecting on grounds of principle to the fact that TCA would be carrying third and fourth freedom traffic between Canada and Tampa under the Canada-United States Bilateral Agreement and third and fourth freedom traffic between [under] Canada-Mexico Bilateral Agreement on the *same* flight via Tampa; and is suggesting that this is improper unless TCA also exercises fifth freedom rights out of Tampa as well, onward to Mexico.

Attention should be drawn to at least two cases where the United States has not objected to this in instances where it has been the terminal of the service. Air France is operating from Paris to Chicago by way of Montreal. Air France carries traffic between Paris and Montreal and between Paris and Chicago on the same flight but has no traffic rights between Montreal and Chicago. The United States authorities have so far as we know raised no objection whatsoever to the fact that Air France is operating this service in an identical fashion to that proposed by TCA to Mexico. In the same fashion British Overseas Airways has used the same aircraft carrying London-Montreal traffic and London-New York traffic by way of Montreal but without carrying local traffic between Montreal and New York. While in these cases Canada is the intermediate country and the United States the terminal country involved, nevertheless the principle is identical and aircraft used on combined services of the sort proposed by TCA have flown to and from United States points.

570. DEA/72-ACU-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2430 Washington, October 23, 1953

RESTRICTED. IMMEDIATE.

Reference: Your teletypes No. EX-1782 of the 22 of October and EX-1791 of the 23 of October, respectively.

In accordance with your instructions, we called this afternoon on Paul Barringer, Director of the Office of Transport and Communications Policy in the State Department. Bolster,[15] Chief of the Aviation Policy Staff, was also present.

2. We began by saying that word that the Civil Aeronautics Board was expected to refuse permission to TCA to make a non-traffic stop at Tampa on its service to Mexico City had caused great concern in Ottawa. The Canadian authorities had been proceeding on the assumption that permission would be readily granted. One reason why they had made this assumption was that other great airfaring nations, including the United Kingdom, France and Holland, granted similar rights to foreign airlines. Another reason was that the United States itself had seemed to countenance such arrangements by permitting foreign airlines to use United States airports as the terminus of services where identical arrangements were in effect; and we mentioned specifically the BOAC[16] service through Montreal to New York and the Air France service through Montreal to Chicago.

3. The Canadian authorities, we went on, had expected that the Civil Aeronautics Board would have regard for the spirit both of the International Air Services Transit Agreement and the Air Transport Agreement between Canada and the United States, and would not interpret either of these agreements in a rigid way. Hitherto they had been applied on both sides of the border with good sense and even with leniency. In particular, the Air Transport Board in Canada had been lenient in allowing Pan-American Airlines to use the same plane on the service between Whitehorse and Fairbanks as was used on the service between Whitehorse and Seattle, although Pan-American could have been forced, according to the letter of the law, to operate these runs as two services instead of as one, as the Civil Aeronautics Board was now threatening to force TCA to do on its run to Mexico City.

4. We also outlined the practical difficulties that would be caused if the Civil Aeronautics Board did not quickly grant to TCA the right to make a non-traffic stop at Tampa, explaining the tickets had already been sold for flights that were scheduled to start on the 31st of October, that the new service had been advertised, and that, if the Civil Aeronautics Board did not grant permission, there would seem

[15] E.A. Bolster, chef de l'Aviation Policy Staff, Département d'État des États-Unis.
E.A. Bolster, Chief of Aviation Policy Staff, Department of State of United States.

[16] British Overseas Airways Corporation.

no alternative but to postpone indefinitely inauguration of the service. In that case, it would probably be necessary for a ministerial announcement to be issued, both in Canada and in Mexico, giving the reason why the service had had to be abandoned.

5. Barringer and Bolster listened sympathetically to what we had to say, and somewhat to our surprise, were not disposed to quarrel with it, or to question us about the Canadian position. They said that they would communicate our views at once to the Board and ask that they be taken fully into account. They did, however, add that, since we had met with Bolster earlier this week, the reply of the Board had been received and it was adverse. They said that they would get in touch with us as quickly as possible to let us know the effect on the Board of our further representations.

6. For the time being I do not see what further we can do. In reply to a question, Barringer said that he understood our views very clearly and that, in his opinion, they would not be made more effective by being reduced to writing. I do not think it would be appropriate for me or members of my staff to try to get in touch with the Civil Aeronautics Board directly. However, it occurs to me that, since John Baldwin knows the Chairman of the Board, he might feel in a position to speak to him over the telephone and urge that the decision already taken should be reversed. I am afraid that, unless some such action is taken quickly, the Board's decision may become inflexible and it may prove impossible to reverse it in time for the service to Mexico City to be inaugurated on the 31st of October.

571. DEA/72-ACU-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1805 Ottawa, October 26, 1953

RESTRICTED. IMPORTANT.

TCA SERVICES TO MEXICO

Reference: Your WA-2430 of October 23.

Thank you for the report on your meeting with Barringer and Bolster last Friday.

2. With reference to your sixth paragraph, it has been decided for a variety of reasons that a direct telephone call from John Baldwin to Ryan, the Chairman of the Board, would not be advisable. However, please indicate to Barringer that if in his opinion any useful purpose would be served by John Baldwin coming to Washington to discuss the problem we would be happy to arrange such a visit immediately.

572. DEA/72-ACU-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2457 Washington, October 28, 1953

CONFIDENTIAL. IMMEDIATE.

TCA SERVICES TO MEXICO

Reference: Your teletype EX-1805 of 26 October, and telephone conversation yesterday and today between Warren[17] and LePan.

We learned this morning from Barringer, Director of the Office of Transportation and Communications Policy in the State Department, that he met with Ryan, Chairman of the Civil Aeronautics Board, yesterday evening to discuss our application for non-traffic rights at Tampa on the service to Mexico City. The Board has not changed its position as a result of the representations we made on October 23, and a letter is now being prepared in the State Department stating that the US authorities have not been able to grant our request. Barringer said that he conveyed this information with great reluctance and regret. He wished that it had been possible to give us a different and more favourable reply. But the Civil Aeronautics Board had insisted that to give us non-traffic rights at Tampa would constitute a departure from the Bermuda principles[18] and would establish a precedent which might rise up to haunt the US in entirely different circumstances.

2. The US authorities, Barringer said, fully understood that refusal of a licence would cause us grave inconvenience and embarrassment. For that reason Ryan and he had considered yesterday the possibility of granting us full fifth freedom rights at Tampa. Ultimately, however, they had felt obliged to rule out this possible solution because of the trouble it would create among US carriers who, as you know, have experienced great difficulty in trying to secure rights in Mexico.

3. We gather that Mr. Chevrier heard on Monday from Ambassador Stuart[19] that another possible solution might be to grant TCA a temporary licence for three months, during which time discussions could be held between the Civil Aeronautics Board and the Air Transport Board concerning route patterns in the US and

[17] J.H. Warren, Direction économique.
J.H. Warren, Economic Division.

[18] Il s'agit de l'Accord aérien entre le Royaume-Uni et les États-Unis (l'Accord des Bermudes) de 1946. L'Accord s'inspirait du principe que tous les États devraient jouir de conditions d'égalité pour exploiter des services aériens convenus, en fonction du volume du trafic aérien en direction ou en provenance de leur pays.
This refers to the United Kingdom — United States air agreement (Bermuda agreement) of 1946. It was based on the principle that all states should have an equal opportunity to operate agreed international air services based on the volume of air traffic to and from their own country.

[19] R. Douglas Stuart.

Canada. From the Canadian desk at the State Department we have learned that this was a State Department proposal representing the most they thought they might be able to get the Civil Aeronautics Board to agree to. Barringer urged this solution on Ryan yesterday but without success.

4. One thing worrying Barringer was that it might be thought in Ottawa that no warning had been given that our application might be refused. It was his understanding that some intimation of this possibility had been conveyed both by the US Embassy in Ottawa and through this mission. So far as this Embassy is concerned, that opinion would seem to be substantiated by a re-reading of our letter No. 1910 of October 6. Apparently there had also been a conversation between TCA's counsel and the general counsel for the Civil Aeronautics Board. In order to ascertain what had been said on that occasion, Barringer had been in touch with Nunnely,[20] general counsel for the CAB. He stated that he had told the counsel for TCA that there would seem to be no legal objections to granting a licence but that a policy issue of some importance was involved on which he could not express an opinion.

5. When seeing Barringer on Friday, we had put to him the question raised in your teletype EX-1805 of October 26, whether or not any useful purpose would be served by Baldwin coming to Washington. Barringer showed a marked disinclination to offer any advice on this point. We repeated the question to him this morning. He replied that, although a visit from Baldwin would always be welcome and although Ryan and he would always be glad to see him, he doubted whether Baldwin's personal intervention could have any affect at this stage on the decision reached by the Civil Aeronautics Board. As you are aware, the Board has been under heavy fire and its peace of mind has not been helped by an article in Monday's issue of the *American Aviation Daily* which stated:

> "Initially, a few months ago, a new Chairman and a few other changes were in prospect, but now the status of the entire agency is in question and a complete shake-up rather than a patchwork alteration is more likely."

6. On the other hand, Barringer hoped that there could shortly be consultations between the US and Canadian authorities to review the whole scope of the Air Transport Agreement between Canada and the US. From the Canadian desk we have learned that the State Department became aware of Baldwin's letter requesting this only ten days ago. They were disturbed by Ryan's reply (which apparently went directly to Baldwin) stating that, in his opinion, such consultations were unnecessary. The State Department are strongly of the opinion that the US authorities should agree to enter into such consultations. Barringer expressed the hope that in the context of comprehensive discussions concerning the Bilateral Air Transport Agreement between the two countries, it might be possible to work out satisfactory arrangements for the proposed TCA service to Mexico. However, this could not be done, he realized, in time for TCA to make use of Tampa for a service to Mexico beginning on October 31. Barringer concluded by expressing again the regret felt here over that fact.

---

[20] E.T. Nunnely.

573. DEA/72-ACU-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur au Mexique

Secretary of State for External Affairs to Ambassador in Mexico

TELEGRAM 114 Ottawa, October 30, 1953

IMMEDIATE

TCA AIR SERVICE TO MEXICO

Repeat Washington No. EX-1842.

Following is text of announcement made to-day by Minister of Transport, Begins: Press Release #457.[21] For Immediate Release October 30/53.

Honourable Lionel Chevrier, Minister of Transport, today announced that because of objections raised by the United States Civil Aeronautics Board, Trans-Canada Air Lines had been compelled to put aside its plans for establishment of an air service between Montreal and Mexico City.

The Minister explained that under an agreement between the Canadian and Mexican governments TCA had been authorized to establish an air service from Canada to Mexico City and had been granted a permit by the Mexican authorities to operate from Montreal by way of Tampa, Florida, to Mexico City carrying traffic between Canada and Mexico. TCA also under an agreement between Canada and the United States is authorized to carry traffic between Montreal and Tampa. TCA plans for operations had been based upon combining these operations in a single service which would carry Canadian traffic as far as Tampa and would then continue onward to Mexico carrying any Canadian traffic bound for Mexico but not carrying any local traffic between Tampa and Mexico. This operational pattern, the Minister stated, was one which was in wide use by international airlines. It was the basis on which, for example, TCA operated through London to Paris and Dusseldorf and Air France operated through Montreal to Chicago.

The Minister stated that the Civil Aeronautics Board in the United States had refused to allow TCA to operate in this fashion, indicating that any TCA flight carrying Canadian traffic to Mexico must be carried in a completely separate aircraft from Canada, rather than combined with TCA's present service to Tampa. Since this would require TCA to use two aircraft where one aircraft would be sufficient to provide the necessary services, the difficulties created for TCA had made it necessary for them to give up their plans for service to Mexico for the present.

The Minister further indicated his regret that the decision on the part of the US authorities had prevented the establishment of an international air service which

[21] Le communiqué de presse n'était pas au dossier du ministère; c'est le Centre de documentation de Transports Canada qui nous l'a fourni.
The press release was not found on the departmental files. It was provided by the Library and Information Centre, Transport Canada.

both the Canadian and Mexican governments felt would be in their mutual interests. Canadian air transport authorities had the position of US carriers operating into Canada under review as a result of the US decision.

574. DEA/72-ACU-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2479 Washington, October 30, 1953

CONFIDENTIAL. IMMEDIATE.

TCA SERVICE TO MEXICO

Reference: EX-1842 of October 30.

I received this afternoon the State Department's official reply, signed by Barringer, to our letter of September 8, Begins: I refer to the note from the Chargé d'Affaires of the Canadian Embassy, dated September 8, 1953,† concerning the desire of Trans-Canada Airlines to extend its services between Montreal, Toronto and Tampa, Florida, beyond to Mexico City without the exercise of traffic rights between Tampa and Mexico City. In a desire to accommodate the Embassy's request, most careful consideration was given this matter. However, because of the serious problems of policy involved the US Government has reluctantly concluded that it cannot accede to your request.

A cardinal principle of United States aviation policy has been neither to seek nor grant authorization for scheduled airline services without the right to embark or disembark, at all points on any given route, international traffic destined for or coming from third countries. United States adherence to this principle has been well established throughout the world, and any departure from this principle would have undesirable effects upon United States aviation relationships in many areas.

There would, of course, be no objection to an operation by Trans-Canada Airlines, unrelated to its commercial services between Montreal/Toronto and Tampa, Florida, with a technical stop at a point in the United States under the Air Transit Agreement.

575. DEA/72-ACU-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2520 Washington, November 4, 1953

CONFIDENTIAL

TCA SERVICES TO MEXICO

Reference: Your teletype EX-1842 of October 30.

We have seen in this morning's *New York Times* and *New York Herald Tribune* news stories with an Ottawa dateline reporting that the Air Transport Board has ordered Pan-American World Airways to show cause why it should be allowed to continue carrying passengers between Seattle and Fairbanks. We have also seen in today's news summary from Ottawa that Mr. Chevrier said yesterday that our department would "act again in an attempt to obtain removal of the United States block to the proposed service" between Canada and Mexico.

2. We should be grateful to receive at your early convenience information concerning developments within the last few days on this matter and some indication of what further steps we may be asked to take. You will appreciate that we need to be kept informed on a continuing basis in order to deal adequately with press inquiries.

576. DEA/72-ACU-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1904 Ottawa, November 5, 1953

CONFIDENTIAL. IMPORTANT.

TCA SERVICES TO MEXICO

Reference: Your WA-2520 of November 4.
Repeat Mexico No. 120.

We very much regret that you were not informed in advance of the Minister of Transport's statement that this Department would act again in an attempt to obtain removal of the United States block to the proposed service between Canada and Mexico. We appreciate the need for you to be kept fully informed of all such statements, and also of such developments as the Air Transport Board's decisions to

review the licences of Colonial Airlines and Pan American World Airways to fly over certain routes.

2. The fact is, however, that this Department itself has not been made aware in advance of these recent developments, and has only learned of them in the same way as yourselves, namely from press and radio reports. For your own information, we have just learned from the Air Transport Board that the statement attributed in your teletype to Mr. Chevrier was not issued in writing as a press release, but appears to have been made orally in response to a press enquiry.

3. A draft note is being prepared in this Department, and we hope to send the text to you soon for delivery to the State Department. It has yet to be agreed upon by the Air Transport Board, but it can be said at this stage that the note will make two main points:

(a) it will record the Canadian Government's regret over the decision of the United States Government; and

(b) will propose that consultations be held between United States and Canadian Civil Aviation authorities in the near future to review the whole scope of the Bilateral Air Transport Agreement between our two countries.

577. DEA/72-ACU-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1913 Ottawa, November 9, 1953

CONFIDENTIAL

TCA SERVICE TO MEXICO

Reference: Your WA-2457 of October 28 and WA-2479 of October 30.

Please leave with the State Department a communication in the form of an Aide Mémoire or a Third Person Note, if you consider this consistent and appropriate, making reference to the letter signed by Mr. Paul Barringer which you received on October 30, and stating that the Canadian Government has learned with regret of the objections of the United States Civil Aeronautics Authorities to the proposal by Trans-Canada Air Lines to combine a new Canada-Mexico City service (making an operational stop without the exercise of traffic rights at Tampa, Florida) with its already existing Canada-Tampa service on the understanding that this combination of services would involve no exercise of traffic rights between Tampa and Mexico City. (You will note that this manner of stating our proposal puts it in a more favourable light than that used by Mr. Barringer in his letter of October 30.)

2. Your communication to the State Department should then add that the Canadian Government considers that the above-mentioned proposals of Trans-Canada Air Lines, which were put forward in an effort to provide an economically sound

air transport service which both Canada and Mexico consider to be for their mutual advantage, would conform to the spirit of the International Air Transit Agreement, and that the Canadian Government continues to hope that the United States Government will find it possible to permit Trans-Canada Air Lines' proposed method of operation to be put into effect.

3. In view of the present situation, and in an effort to reach mutually satisfactory solutions to various outstanding questions and to any further problems which may arise in the future, it is requested that renewed consideration be given to the proposal made by the Chairman of the Air Transport Board to the Chairman of the United States Civil Aeronautics Board for general consultations between the Civil Aviation Authorities of our two countries. It will be recalled that Section VIII of the Bilateral Air Transport Agreement signed at Ottawa on June 4, 1949 calls for frequent and regular consultations of this nature.

4. Your written communication should not go any further than that. We are, however, under instructions from Cabinet to inform the United States authorities that our Civil Aviation authorities will reconsider privileges (similar to those sought by TCA) which have been granted to United States air carriers. In presenting your communication, therefore, you should also make an oral statement along these lines: In the light of the CAB's recent unfavourable decision, the Air Transport Board are reviewing the authorizations under which United States air carriers are operating in Canada with a view to ascertaining whether privileges have been accorded to those carriers similar to those which the CAB has found it impossible to accord to Trans-Canada Air Lines.

578. DEA/72-ACU-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2603 Washington, November 12, 1953

CONFIDENTIAL

TCA SERVICE TO MEXICO

Reference: Your teletype EX-1913 of November 9.

We left this afternoon with Barringer at the State Department a third-person note along the lines you suggested. The text of the note is contained in our immediately following telegram.[22] We also informed him that the Air Transport Board are reviewing the authorizations under which United States carriers are operating in Canada, with a view to ascertaining whether privilege has been accorded to those carriers similar to those which the Civil Aeronautics Board has found it impossible to accord to TCA.

[22] Non trouvé./Not located.

2. Barringer said that he was empowered to say at once that the United States authorities would certainly give renewed consideration to the proposal made by the Chairman of the Air Transport Board for general consultations between the Civil Aviation authorities of the two countries. However he was not exactly clear what kind of consultation was desired by the Canadian authorities. In our note we had referred (in accordance with your instructions) to Section VIII of the Annex to the Air Transport Agreement between Canada and the United States, signed on the 4th of June, 1949. That section records "the intention of both contracting parties that there should be regular and frequent consultations between their respective aeronautical authorities . . ."; and Barringer doubted whether its scope would be broad enough to include consideration of altered route patterns between the two countries. On the other hand, the letter sent by the Chairman of the Air Transport Board to the Chairman of the Civil Aeronautics Board (which, by the way, we have not yet seen) seems to contemplate that the consultation should include possible changes in the route patterns. Any such formal consultation for changes in the bilateral agreement, in accordance with Article 11, would take some time to arrange, since it would have to be preceded by discussions between the Civil Aeronautics Board and United States carriers.

3. In any case, Barringer thought that the most practical next step would be to arrange as quickly as possible informal consultations to consider the points currently at issue, i.e., the Tampa case and the review being conducted by the Air Transport Board of the authorizations under which United States air carriers are operating in Canada. In the course of such informal consultations, consideration could also be given to the possibility of holding at a later date formal consultations in accordance with Article ll of the Air Transport Agreement, and of the manner in which such formal consultations should be arranged. Barringer thought that the informal consultations which he had suggested might take place as early as the middle of December. They should be attended, he suggested, by the Chairmen of the Air Transport Board and of the Civil Aeronautics Board and by representatives of the State Department and of the Department of External Affairs (to be drawn either from Ottawa or from this mission).

4. Barringer's suggestion seems to us to be a sensible one, and we hope that you will be able to accept it. The sooner the Chairman of the Air Transport Board and the Chairman of the Civil Aeronautics Board can sit down together, the better it will be, in our opinion.

579. DEA/72-ACU-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2647 Washington, November 17, 1953

CONFIDENTIAL. IMMEDIATE.

TCA SERVICE TO MEXICO

Reference: Our teletype WA-2604 of November 12.

We have now received a reply to the note which we left with Barringer on November 12. Following is the text of the United States note, which is dated November 17. Text begins:

The Secretary of State presents his compliments to His Excellency the Ambassador of Canada and has the honor to acknowledge the receipt of his Note No. 827 of November 12, 1953† in which reference is made to the question of Trans-Canada Airlines' proposed route to Mexico City via Tampa, Florida and in which it is requested that consideration be given to the possibility of having informal consultations between the United States and Canadian authorities on various outstanding questions of air transport.

The United States Government would welcome the opportunity to discuss with the Canadian Government matters of mutual concern in the aviation field. In order that these conversations may be held without delay, the United States suggests that they be held in Washington, DC, on or about December 15, 1953 and inquires as to whether this would be convenient to the Canadian Government.

It is envisaged that these conversations would proceed on an informal basis and would be directed to air transport problems of immediate concern to the United States and Canada. Should it develop during the conversations that a need exists for more comprehensive aviation discussions between the two countries, arrangements could be made for subsequent discussions at such a date as to permit the completion of necessary preparations. Text ends.

2. We would be grateful to know in due course whether consultations of the type suggested by the State Department would be agreeable to you and, if so, whether the suggested date of December 15 would be convenient.

580. DEA/72-ACU-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2855 Washington, December 15, 1953

RESTRICTED. IMMEDIATE.

UNITED STATES — CANADIAN AIR DISCUSSIONS

Reference: Baldwin-Chevrier telephone conversation of December 14, 1953.

Please pass copy to Mr. Chevrier Minister of Transport.

The following is the text of the statement which will be given by Mr. Chevrier in the House of Commons at 3:00 p.m. tomorrow, Wednesday, December 16. We presume that the Department of External Affairs will be issuing a press release at the same time. Text begins:

Representatives of the Governments of Canada and the United States met on December 14 and 15, 1953, in Washington, DC, to hold informal discussions on matters of current concern in the field of civil aviation. Mr. J.R. Baldwin, Chairman of the Canadian Air Transport Board and Mr. Oswald Ryan, Chairman of the United States Civil Aeronautics Board, were the principal spokesmen for their respective governments.

The main subjects discussed were:

(1) A proposed operation by Trans-Canada Air Lines of an air service linking Eastern Canada with Mexico City via Tampa, Florida, where a technical, non-traffic stop would be made;

(2) Pan American World Airways service between Seattle, White Horse and Fairbanks, as well as the Colonial Airlines operation Washington-Ottawa-Montreal-New York; and

(3) The desirability of consultation within the next few months, for the purpose of considering amendments to the route annex of the United States-Canada Air Transport Agreement.

It was agreed that the Civil Aeronautics Board would issue to Trans-Canada Air Lines a six-months renewable permit for Montreal-Mexico City flights making non-traffic stops at Tampa. In the special circumstances, the CAB also agreed that TCA might, for reasons of economy, utilize the same aircraft and the same schedules for the Montreal-Tampa portion of such flights as are used for the Montreal-Tampa services operated by that carrier under the Air Transport Agreement.

The Canadian representatives had indicated their desire that TCA be permitted to combine its Montreal-Tampa operations under the Air Transport Agreement and Montreal-Mexico City operations with a technical stop at Tampa, under the International Air Services Transit Agreement for a temporary period until aircraft and facilities for non-stop operations between Canada and Mexico become available.

The representatives of the United States made known their desire to co-operate with Canada in helping TCA resolve its operational problem, stating that in the circumstances such co-operation did not imply a departure from the established policy of the United States in the field of international aviation.

The spirit of co-operation was carried into the discussion regarding the operations of United States carriers which have been under review by the Canadian authorities, and it was agreed that Pan American World Airways and Colonial Airlines should be permitted to continue their respective combined services through Canadian points and that the Air Transport Board would vacate the outstanding show-cause orders.

With reference to the present network of air routes between Canada and the United States it was understood that the Canadian Government will, within the next few months, bring forward proposals looking toward a review of the route schedules of the Bilateral Air Agreement. Text ends.

2. The State Department will be issuing at 3:00 p.m. tomorrow a release in identical terms, except for the order in which the governments and chairmen are listed.

581. DEA/72-ACU-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour la Direction économique

Memorandum from Assistant Under-Secretary of State for External Affairs to Economic Division

CONFIDENTIAL [Ottawa], December 18, 1953

KLM SERVICE TO MEXICO

The Netherlands Ambassador called at noon today at my request and I gave him the note dated December 17 conveying the 30-days' notice stipulated in our original Agreement.† I told him that, as I had mentioned in our conversation the previous day, TCA were anxious to make up for lost time and begin their service to Mexico as soon as possible. We had therefore considered various possibilities of working out an arrangement with the Netherlands Government which would allow TCA to start operations on January 2. However, we had concluded that on the whole the most satisfactory course would be to adhere to the terms of the original Agreement. Consequently, the note simply gave 30-days' notice from December 17 which would permit TCA to operate on January 16.

Mr. Lovink said that this was of course completely acceptable though he thought there would have been no difficulty in working out an arrangement whereby TCA could have started operations on January 2.

I thought it wise, in order to avoid any possible misunderstanding, to draw his attention to the fact that the note was dated December 17 and confirmed the notice which I had given to him orally on that date. I explained that this would enable TCA to start on January 16 which was a Saturday, the day on which their weekly

flights were scheduled. Mr. Lovink said that he understood the situation fully and offered no objection of any kind.

R.M. M[ACDONNELL]

SECTION C

PÉROU
PERU

582. DEA/72-AGM-40

L'ambassadeur au Pérou
au secrétaire d'État aux Affaires extérieures

Ambassador in Peru
to Secretary of State for External Affairs

DESPATCH 28 Lima, February 3, 1953

BILATERAL AIR AGREEMENT WITH PERU

Reference: Our letter No. 24 of January 28, 1953.†

I attach, for your information, a copy of Supreme Resolution No. 29-A dated January 26, 1953, with English translation,† granting to Canadian Pacific Airlines Limited a provisional license to operate from Vancouver to Lima and beyond, via intermediate points in Mexico, Cuba or Jamaica.

2. The provisional license will be in effect only until such time as the formal Bilateral Air Agreement between Canada and Peru is concluded. In the event of any unexpected prolonged delay in signing the agreement, I understand that under present Peruvian regulations a provisional license is valid initially for six months but may be renewed up to a maximum period of two years.

3. You will note in Clause 14 it is stated that for transportation of mail a special contract is required between CPAL and the Directorate General of Posts and Telecommunications. Presumably the Company will negotiate this contract privately.

4. The Legal Representative of CPAL in Peru, Dr. Gaspar Fernandez Concha, has sent a copy of the Supreme Decree to the Company in Vancouver. I am also sending directly to it an English translation.

5. Mr. Peter P. Baronas, the Traffic and Sales Representative of CPAL for South America is now in Lima. He informed us that the Company intends to inaugurate regular flights to Lima in June, consisting initially of one scheduled flight per week. This may later be increased to two flights per week, depending on the volume of traffic. The trial flights will probably take place in April.

EMILE VAILLANCOURT

583. DEA/72-AGM-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Pérou

Secretary of State for External Affairs
to Ambassador in Peru

DESPATCH E-44 Ottawa, March 20, 1953

BILATERAL AIR AGREEMENT WITH PERU

Reference: Your despatch No. 28 of February 3, 1953.

The Air Transport Board has indicated the following comments with respect to your despatch under reference:

"On the question of the services from western Canada, we note that Peru has included both Ecuador and Panama as well as Cuba and Mexico in their route, but only Mexico and Cuba in the Canadian route. We have no objection to these points being included in the Peruvian route, but in the circumstances, we feel that Panama should also be inserted in the Canadian route with a view to possible future use by CPA since it would be easier to secure this intermediate point now than to seek an amendment at a later date. In addition, we believe that the same wording should be used in both routes. For instance, some doubt might exist as to the effect of the expression "and beyond in both directions"which appears in the Peruvian route and of the term "Mexico City"which is used in the Canadian route only. Such differences in wording should be eliminated in order to avoid possible difficulties of interpretation later. We would, therefore, suggest that the Peruvian proposal concerning the western route be revised as follows:

"*Plan I* Route to be operated in both directions by the designated airline of the Government of Canada:

"From Vancouver via points in Mexico, Cuba and Panama to Lima and beyond to Rio de Janeiro-Sao Paulo, Brazil and such other points as may be agreed between the two contracting parties.

"*Plan II* Route to be operated in both directions by the designated airline of the Government of the Republic of Peru:

"From Lima via points in Ecuador, Panama, Cuba and Mexico to Vancouver and points beyond to be agreed by the two contracting parties.

"With respect to the eastern route, the proposal is that the route be merely defined as between Lima and Montreal or Toronto without intermediate points being designated at the present time. While we prefer the use of this general formula where a route is not to be operated for some time, we recognize that intermediate points would be needed and would have to be agreed between the two governments if either country were to designate an airline now. We note that the Peruvians are particularly anxious to secure at this time intermediate points in the United States and since there is still a valid air agreement between Peru and the United States under which Peru has been granted 5th Freedom rights at New York onward to Montreal, we would have no objection if the Peruvians insisted, to have New York

named in their route and Tampa, in the Canadian route with such other points in central and south America as may be subsequently agreed between the two contracting parties. On the other hand, we should like some flexibility in the use by TCA of its Canadian point of departure. We should, therefore, inquire from the Peruvian authorities whether they would be prepared to grant the Canadian designated airline the right of selection at any time of its Canadian point of departure by a specific mention of Montreal, Toronto and Windsor or by an area designation such as "a point or points in eastern Canada", but the right to operate to and from only one point (Lima) in Peru, while the Peruvian designated airline would have similar rights of selection in Peru, but only Montreal as the designated point of operation in Canada. If it appears that no progress can be made along those lines, we should then explore the possibility of inserting the following clause in the designation of the Canadian and Peruvian eastern routes:

'Additional traffic stops may be made in the territory of the contracting party which designates an airline at the election of that party provided that such stops be between the specified terminals and in reasonable proximity to the direct route connecting them.'"

2. We will be glad to learn what progress you have been able to make with the Peruvians in regard to the points mentioned above.

A.E. Ritchie
for Secretary of State
for External Affairs

584. DEA/72-AGM-40

Le chargé d'affaires au Pérou
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Peru
to Secretary of State for External Affairs

Despatch 175 Lima, August 8, 1953

BILATERAL AIR AGREEMENT

Reference: Your Despatch No. E-101 of July 24, 1953.†

Upon receipt of your Despatch No. E-44 of March 20, 1953, discussions were held with the Directorate-General of Civil Aviation on the question of route designation and the inclusion of Panama in the Canadian route. As we did not appear to be making much headway with this question orally, on June 26 I sent a formal letter to the Director-General of Civil Aviation outlining the Canadian position. A translation of this letter is enclosed for your information.†

2. Apart from route designation, there are a number of points in the draft agreement which are still under negotiation. In our Despatch No. 283[23] of December 29, 1952, we stated that the comments and amendments contained in your Despatch

[23] Voir volume 18, document 561./See Volume 18, Document 561.

No. E-217[24] of December 2, 1952, had been discussed with Dr. Marchena,[25] the Legal Counsellor of the Directorate-General of Civil Aviation, who felt that all of the proposals of the Air Transport Board would be acceptable to Peru with the possible exception of paragraph (a) Article II(2).[26] At the time, however, we made the reservation that the Peruvian acceptance of the other changes should not be considered as final until we had received written confirmation. On January 10 we wrote to the Director-General of Civil Aviation enclosing, in as full a form as possible, the Canadian proposals, in both English and Spanish. At this time we also brought to the attention of the Director-General what we considered to be errors in the translation from English into Spanish of the original Canadian draft. A copy of this letter in Spanish (with English translation) and enclosures are attached for your information.†

3. I regret to inform you that we have not as yet received a formal written reply to the above communication. I have discussed the matter a number of times with Dr. Marchena and have pressed him for an answer. He has replied that before he is able to give us an official answer the matter would have to be considered by the "Permanent Commission of International Conferences and Agreements on Aviation". The former Director of the Legal Department of the Ministry of Foreign Affairs was a member of this Commission but unfortunately he was transferred to the Peruvian Embassy in Mexico. His successor, according to Dr. Marchena, is not familiar with the progress of the negotiations to date so that it is necessary for the Commission to review all of the proposals and counter-proposals before it is in a position to give us a reply. Dr. Marchena has promised, however, that he hopes to have the matter considered in the near future. I have an appointment on Monday with him and shall again stress the importance of obtaining an early reply.

4. When Canadian Pacific Air Lines made their survey flight to South America in early July, I arranged for Mr. McGregor,[27] the Director of Overseas Airlines of Canadian Pacific Air Lines, to have discussions with the Director-General of Civil Aviation and Dr. Marchena. At that time we pointed out that, as the opening of Canadian Pacific Air Lines' service to Lima would necessitate a considerable outlay of funds, we were anxious that they obtain a Permanent Operating Permit under the terms of a formal bilateral agreement. We also pointed out that the inclusion of Panama in the Canadian route designation was increasingly important since, if Canadian Pacific Air Lines introduced jet aircraft on the run, it would be necessary that they stop at Panama for re-fuelling. In order to help cover the costs of such a stop they should like the right to take up and lay down passengers and freight at that point. This argument seemed to carry considerable weight with the Peruvian Civil Aviation authorities who stated that they would attempt to obtain agreement for the inclusion of Panama in the Canadian route.

[24] Voir volume 18, document 560./See Volume 18, Document 560.

[25] M. Marchena Errol/Dr. Marchena Errol.

[26] Il s'agissait des privilèges dont jouissaient les compagnies aériennes désignées qui exploitaient un service convenu sur un parcours spécifique.
This concerned the privileges enjoyed by the designated airlines while operating an agreed service on a specified route.

[27] F.M. McGregor.

5. I am somewhat at a loss to explain the Peruvian delay in replying to our proposals. There are a number of reasons which may account for it:—

a) The change in the complement of the Commission on Civil Aviation already referred to;

b) Pressure of work in the Directorate-General of Civil Aviation — it has just completed an extensive revision of the regulations governing the operation of commercial aircraft in Peru;

c) A reluctance to conclude the bilateral agreement until they are able to see the type of service which Canadian Pacific Air Lines can offer when it commences scheduled operations in September;

d) A lack of urgency to conclude the formal agreement as Peru has no international airline which could operate on the reciprocal routes granted to Canada; and,

e) Possible pressure by some of the already-established foreign international air lines operating in Peru.

6. I shall make every attempt to try and settle the points of differences before Brigadier Booth's[28] arrival here in September. I do not expect to encounter any difficulty in arranging for him to have discussions with the Peruvian authorities.

J.A. DOUGAN

585. DEA/72-AGM-40

Le chargé d'affaires au Pérou
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Peru
to Secretary of State for External Affairs

DESPATCH 216 Lima, September 15, 1953

BILATERAL AIR AGREEMENT

Reference: Our despatch No. 175 of August 8, 1953.

I received from the Peruvian Directorate of Civil Aviation yesterday a copy of their latest draft for the conclusion of the bilateral air agreement. This draft is now in the process of being translated. It appears to include all of the proposals submitted in our letter of January 10 and also the schedule of route designations proposed in our letter of June 26. Copies of these two letters were forwarded to you under cover of our above-mentioned despatch.

2. The Peruvian draft incorporates at least two new major Peruvian amendments, affecting the preamble and Article XIV. On the attached sheet these amendments are shown in Spanish, with English translation. I am not sure of our translation of the preamble as a number of legal expressions are used for which we do not know the equivalent legal expressions in English. Consequently you may wish to revise the English text. The two amendments were proposed by the Legal Advisor of the

[28] C.S. Booth, représentant auprès du Conseil de l'OACI.
C.S. Booth, Representative, Council of ICAO.

Ministry of Foreign Affairs who stated that with regard to the preamble, his proposal followed the normal Peruvian and international (?) usage and that the revision of Article XIV was necessary in order to conform with Peruvian constitutional procedures. I should be grateful to receive as soon as possible your comments as to whether the text in Spanish is acceptable and also any suggestions which you may have for modifying our translations into English so as to use the appropriate legal terms.

3. A further point has arisen with respect to route designation. Some time ago I was informed by Mr. Campbell, the local representative of CPAL, that it intended to refuel its aircraft at Talara in northern Peru on the southward flight from Mexico City. In view of this, it would also like the right of transporting passengers and freight from Mexico to Talara and on the northern flight from Talara north. This is important from the traffic point of view as there are almost two hundred Canadians in Talara. I mentioned the matter informally to Dr. Marchena, the Legal Counsellor of the Directorate of Civil Aviation, yesterday. He said that he did not think Peru would have any objections to the inclusion of Talara in the Canadian route designation, as such an inclusion would not, under the terms of subsection 3 of Article II, give the Canadian airline the privilege of carrying passengers, goods and mails from one point in Peru to another.

4. If you think that Talara should be included in the Canadian route designation, the simplest way to do this, I believe, and the one which would be most acceptable to the Peruvians, would be to change Plan I as follows: "From Vancouver via points in Mexico, Cuba and Panama to Lima and/or Talara and beyond to Rio de Janeiro — Sao Paulo, Brazil and such other points as may be agreed between the two contracting parties".

5. Undoubtedly you will wish to check with CPAL before giving a decision on this matter. I asked Mr. Campbell to provide me with definite information as to the importance which CPAL attached to the inclusion of Talara. In reply to a telephone call, he received the following cable this morning: "Would like have Lima and Talara but would not be in position to serve Talara traffic-wise for some time. If any objection to this accept Lima only. (signed) Clark". The use of the phrase "and/or" would appear to give CPAL considerable leeway with regard to providing a regular service to Talara.

6. In the event you think that Talara should be included in the proposed route for CPAL, the question then arises as to whether it should not also be included in the proposed Canadian route from eastern Canada to Peru. I suggest that such a modification, if required, be shown in the following terms in Plan III: "The designated Canadian airline shall have the right of selection, at any time, in its Canadian point of departure, of a point or points in eastern Canada, including Montreal, Toronto and Windsor, but shall have the right to operate to and from only Lima and/or Talara in Peru".

7. Brigadier Booth expects to arrive here on the evening of the 19th and will depart on the 23rd. I should be grateful, therefore, to receive your comments concerning the above as soon as possible, by telegram.

J.A. DOUGAN

586. DEA/72-AGM-40

L'ambassadeur au Pérou
au secrétaire d'État aux Affaires extérieures

Ambassador in Peru
to Secretary of State for External Affairs

DESPATCH 224 Lima, September 28, 1953

BILATERAL AIR AGREEMENT

Reference: Our Despatch No. 216 of September 15, 1953.

Brigadier Booth arrived in Lima in the evening of September 19 and departed in the morning of September 23. Arrangements were made for him to call on the Foreign Minister and the Acting Minister of Aviation. He also, in company with the Second Secretary, discussed the terms of the proposed air agreement with the Director-General of Civil Aviation, his Legal Adviser and the Legal Adviser of the Department of Foreign Affairs.

2. We enclose a copy in English of a text for the proposed agreement which has been accepted by the Peruvian authorities.† It incorporates a number of changes introduced by General Booth as well as some modifications suggested by the Directorate-General of Civil Aviation.

3. The preamble has been changed slightly from the text submitted with our despatch under reference and Article XIV, concerning ratification, has also been altered. General Booth suggested a new form for Article II(2)(c) which has been agreed to by Peru and which we hope you will find acceptable.

4. The route schedule, which is attached to the main text, has also been modified. Sections I and II are in effect the same as those suggested by the Air Transport Board and are acceptable to Peru. New Sections III and IV have been drafted however and before they are presented officially to the Peruvian authorities we should be grateful to receive your comments.

5. In Sections I and III outlining the Canadian route you will note that we have placed in brackets the phrase "and/or Talara". If it is decided that the inclusion of Talara is desirable we do not expect to encounter any serious difficulty for the inclusion.

6. We should be grateful to receive as soon as possible your observations concerning both the text and the schedule of routes. Before the agreement can be ratified it must be approved by the Peruvian Congress and should be presented to it before the end of October.

7. You will also have to complete the preamble so as to include, in proper form, the name and rank of the person appointed by Canada to conclude the agreement.

8. If possible, in view of the time element, we should appreciate receiving your comments by telegram.

EMILE VAILLANCOURT

587. DEA/72-AGM-40

Le représentant aux négociations de l'Accord aérien bilatéral au président de la Commission des transports aériens

Representative to Bilateral Air Agreement Negotiations to Chairman, Air Transport Board

CONFIDENTIAL [Ottawa], October 2, 1953

Dear Mr. Baldwin:

RE: AIR SERVICES AGREEMENT BETWEEN CANADA AND PERU

I understand that Mr. J.A. Dougan, chargé d'affaires at the Canadian Embassy in Lima will have forwarded to External copies of the text of the Agreement which was settled during my visit to Lima, together with a brief report thereon. As I have an additional copy of the text I enclose it herewith.†

I believe the few minor modifications in the text are self-explanatory and that if there are any questions in regard to them these could best be answered by direct discussion.

As you are aware certain questions raised by Mr. Dougan had been answered only in general terms and it remained to find appropriate language for incorporation in the Agreement. In addition, the inquiry regarding the inclusion of Talara had not been answered, and for this reason the text of the schedule is subject to some slight revision.

Negotiations in Lima were on a very different basis from that in Rio. First, apart from the fact that the Peruvians had not at this time any particular axe of their own to grind, Mr. Dougan was on excellent terms with practically all of the officials concerned. No round table conference was arranged and we had to call first on the aviation officials including the Director General of Civil Aviation and his Legal Advisers and then on the Legal Adviser and Representative of the Department of Foreign Affairs. However, while each, and particularly the latter had certain points which they wished to make, there was very little difficulty in reaching agreement.

Following these discussions we were given very clearly to understand that as soon as the question of the inclusion or otherwise of Talara had been decided by us, the Peruvians were prepared to sign an Agreement in the form which had been agreed.

Following the discussions with the departmental officials, Mr. Dougan and I, accompanied by General Washburn,[29] Director General of Civil Aviation, called on the Acting Minister of Aviation, and later Mr. Dougan and I called on the Minister of Foreign Affairs. Both these gentlemen, and particularly the latter, were very cordial in their reception and their expressions of goodwill towards Canada.

While of course he did not participate directly in any discussions, Mr. C.J. Tippett, Regional Director of ICAO for South America whose office is in Lima, was

[29] Le major-général Carlos Washburn Salas./Major-General Carlos Washburn Salas.

extremely helpful in view of his personal contacts with members of the Government and senior officials in Lima. Incidentally, on 24th September, at the annual Peruvian "Air Day" celebrations Mr. Tippett was decorated with one of the highest Peruvian orders in recognition of his services to International Aviation and particularly for his assistance to Peru in connection with the adoption and implementation of ICAO standards, procedures, etc.

While Mr. Dougan had got this matter into very good shape, I believe my visit served a very useful purpose for several reasons. First, the Peruvians were gratified that a senior Canadian official had called on them to discuss this matter; second, not being a lawyer Mr. Dougan had considerable difficulty discussing some of the matters raised in general terms in messages from Ottawa with the Peruvians and thirdly, the fact that I was there only for a limited time had the effect of overcoming the usual Latin tendency to procrastinate so long as there is not an immediate necessity for reaching a decision.

I also enclose list of the officials with whom I discussed the Agreement and other persons whom I met in Lima.†

Yours very truly,

C.S. BOOTH

588. DEA/72-AGM-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur au Pérou

Secretary of State for External Affairs to Ambassador in Peru

TELEGRAM 30 Ottawa, October 13, 1953

AIR AGREEMENT

Reference: Your despatch No. 224, September 28, 1953.

Text of Agreement acceptable. However, we should be grateful for following improvements if it could be done without delaying signing of Agreement:

1. *Preamble*

The Government of Canada and the Government of Peru (hereinafter called the Contracting Parties), having ratified the Convention on International Civil Aviation opened for signature at Chicago on December 7, 1944 and desiring to conclude an Agreement for the purpose of establishing air services between and beyond Peruvian and Canadian territories, have appointed for this purpose as their plenipotentiaries:

The Government of Peru, Doctor Ricardo Rivera Schreiber, Minister of State in charge of Foreign Affairs; and The Government of Canada, J. Emile Vaillancourt, Ambassador of Canada in Peru;

Who, having communicated to each other their full powers, have agreed on the following Articles:

2. We agree to addition of Talara provided it is clearly understood that there be no obligation to serve that point immediately or on any or all flights. Therefore, we suggest that a sub-paragraph (d) be added to paragraph 2 of Article II as follows:

"At the option of the designated airline or airlines, intermediate points on any of the specified routes may be omitted on any or all flights."

3. In Article XIII the words "registered by the Governments of Canada and of Peru" should be replaced by the words "registered by either the Government of Canada or the Government of Peru." The obligation to register with ICAO is discharged as soon as one of the contracting parties has registered the agreement.

4. Following wording is suggested for Art. XIV (1 and 2):

"The present Agreement shall be ratified in conformity with the Constitutional requirements of each Contracting Party, and shall come into force on the date following the exchange of the instruments of ratification, which shall take place in Lima as soon as possible.

Pending the definitive coming into force of this Agreement, its provisions shall be applied provisionally by the two Governments as from the date on which this Agreement is signed. The Government of either country, however, may, prior to the exchange of ratifications, terminate the provisional application of the Agreement by giving three months' notice to the other Government."

Full powers being prepared and will follow by next bag.

589. DEA/72-AGM-40

L'ambassadeur au Pérou
au secrétaire d'État aux Affaires extérieures

Ambassador in Peru
to Secretary of State for External Affairs

DESPATCH 246 Lima, October 29, 1953

BILATERAL AIR AGREEMENT

Reference: Your telegram No. 30 of October 13, 1953.

The suggested amendments in your above-mentioned telegram have been incorporated fully in the final text of the proposed Air Agreement with Peru, with the exception that in Article XIV, paragraph 2, a minor change was made substituting the word "it" for "this Agreement".

2. When your amendments were discussed with the Director General of Civil Aviation, we were given the assurance that the inclusion of Talara in the route designation would not imply any obligation to serve that point immediately or on any or all future flights.

3. I enclose two copies in English and one copy in Spanish of the final text which has been agreed upon.† Everything possible is being done to arrange for the signing to take place as soon as possible.[30]

EMILE VAILLANCOURT

SECTION D

ROYAUME-UNI
UNITED KINGDOM

590. DEA/72-AMD-40

Note de la Direction économique pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Economic Division to Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], February 18, 1953

CIVIL AVIATION DISCUSSIONS WITH THE UNITED KINGDOM

United Kingdom authorities have proposed and the Air Transport Board have agreed that D.I.B. Muir of the Ministry of Civil Aviation will come to Ottawa on February 26 for informal discussions on outstanding civil aviation questions. Baldwin has asked that Irwin[31] attend for External Affairs and, if you agree, I will try to arrange this.[32]

We rather welcome the United Kingdom proposal because, as you know, we have not been very happy about the way our civil aviation relations with the United Kingdom have developed during the past two or three years. In our view, United Kingdom goodwill must continue to be of considerable value to us in pursuing our international aviation objectives, but this view has not received much recognition in the attitudes taken by TCA and the Air Transport Board on certain questions which have arisen with the United Kingdom. The proposal for informal discussions suggests that the United Kingdom authorities are interested in putting relations on a better footing. On our side, Irwin talked to Baldwin this week and found him in a very reasonable frame of mind. He will probably try to meet the United Kingdom half way if TCA do not put up too much opposition.

---

[30] Cet Accord fut signé le 18 février 1954. Pour le texte, voir Canada, *Recueil des traités*, 1955, nº 1.
The agreement was signed on February 18, 1954. For text see Canada, *Treaty Series*, 1955. No. 1.

[31] J.A. Irwin, Direction économique.
J.A. Irwin, Economic Division.

[32] Note marginale:/Marginal note:
Yes. R.M. M[acdonnell]

I attach a draft memorandum which reviews questions likely to be discussed and suggests what our point of view should be on each of them. If you approve this memorandum, I will send a copy to the Air Transport Board.[33]

A.E. RITCHIE

[PIÈCE JOINTE/ENCLOSURE]

Note de la Direction économique

Memorandum by Economic Division

CONFIDENTIAL [Ottawa], February 12, 1953

CIVIL AVIATION DISCUSSIONS WITH THE UNITED KINGDOM

At the suggestion of the United Kingdom authorities arrangements have been made for D.I.B. Muir of the Ministry of Civil Aviation to visit Ottawa for informal discussions with the Air Transport Board on Canada-United Kingdom civil aviation relations, the discussions to begin on February 26.

2. Earnscliffe has said that the principal matters which Muir will wish to discuss are (a) the carriage by TCA of "Cabotage" traffic between the British West Indies and London via Montreal and (b) carriage of immigrants by air from the United Kingdom to Canada. They have also said that he would no doubt like to exchange views on the route schedules of the Canada-United Kingdom Air Services Agreement — in other words, he will broach the subject of amending and extending the Agreement to provide some further rights for BOAC.

3. The two principal matters mentioned above have been bones of contention between the United Kingdom and ourselves for more than two years and have adversely affected our normally good relations on civil aviation. Detailed accounts of both questions have been given in previous memoranda. External Affairs' views on them can be summarized as follows:

(a) *British West Indies Cabotage*

Legal Division examined this question in March 1951 and decided that the United Kingdom has solid legal grounds for claiming traffic between the United Kingdom and the British West Indies to be cabotage traffic. Further, it is clear that the Canada-United Kingdom Air Services Agreement of 1949 gives a Canadian carrier no rights to this traffic. On the other hand the Air Transport Board have felt, and we have agreed, that the extension of the principle of cabotage to points so far apart as London and the British West Indies is unfair and that we could make a good claim on grounds of equity for the right to carry this traffic through Montreal.

United Kingdom authorities in the British West Indies have used exchange controls to prevent the British West Indies-United Kingdom traffic from moving to London via Montreal. We have objected to this practice on the grounds that it was an improper use of exchange controls. However, the United Kingdom authorities

[33] Note marginale:/Marginal note:
O.K. R.M. M[acdonnell]

would no doubt have other means of enforcing their ruling. It is possible that if TCA persisted in carrying this traffic without United Kingdom approval the Company would become liable to prosecution in United Kingdom or British West Indies courts.

In September 1951 and January 1952 there were discussions with the United Kingdom on this subject but on our side these were confined to obtaining removal of the exchange control restrictions. It is hard to see now what the United Kingdom have in mind in proposing to revive this question. It may be that they are hoping to clear the air with a little friendly discussion, while leaving matters as they are. If, on the other hand, they come forward with proposals which would give TCA rights to the disputed traffic, these should be given fair consideration, though there is no reason why we should not weigh very carefully the value of this traffic to TCA against the value to BOAC of any concessions demanded in return.

(b) *Carriage of Immigrants by BOAC*

TCA's arrangement with the Immigration Branch — which ended in April 1952 — permitted TCA to offer air passages at very reduced rates to persons immigrating to Canada from the United Kingdom. In each case, the difference between the normal and reduced fare was made up to TCA by the Immigration Branch. A large number of passengers (4,000 or more) was carried under this scheme during a period of less than 18 months. The United Kingdom authorities regarded this arrangement as "fare cutting" and as a means of circumventing IATA[34] agreements on fares. They claimed that, even had they wished to, they were prevented from establishing a similar scheme for BOAC by statutory provisions governing the payment of subsidies to BOAC. They also held the TCA arrangement to be contrary to the terms of Article 5 of the Canada-United Kingdom Air Services Agreement which calls for "fair and equal opportunity" for the designated carriers of both parties. UK proposals that BOAC be allowed to establish for immigrants a fare about the same as that which TCA was collecting from its immigrant passengers were repeatedly rejected by us on the grounds that the proposed fares were lower than established IATA fares.

The above brief summary does not mention various legalistic and other aspects of the question which have been fairly fully covered in previous memoranda. The main fact emerging is that for a period of almost eighteen months TCA were able to offer passages to an important segment of United Kingdom-Canada air traffic at a considerably reduced rate and that BOAC were not permitted to compete on equal terms. As with the cabotage question the history of this affair has been unfortunate for our civil aviation relations with the United Kingdom, but in this case the main responsibility is ours. It would have been more in keeping with the spirit of our bilateral agreement and of our previous relations (intergovernmental relations that is, — not TCA-BOAC relations) if in the first place there had been consultation with the United Kingdom before the Immigration-TCA scheme was implemented and, secondly, if later on we had shown more willingness to find some means by which BOAC could compete on equal terms for the immigrant traffic.

[34] International Air Transport Association.

We have said that we could not agree to any proposition involving the carriage of immigrants by BOAC on a fill-up basis at lower than established fares unless IATA's approval is obtained. In the absence of any new arguments on proposals from the UK we could hardly abandon that position. We can only wait to see what Muir has to say, keeping in mind that there is perhaps some onus on us to see the UK satisfied on this subject.

4. It might be premature to develop views concerning modification of the Canada-United Kingdom Air Services Agreement until we know what the United Kingdom authorities will propose. However, the Chairman of the Air Transport Board thinks that they may raise the question of traffic rights for BOAC at Toronto from London, and of Third and Fourth Freedom[35] rights at Edmonton and possibly Vancouver on a route from London to the Orient via Canada. On this basis some preliminary observations can be made.

(a) In the present circumstances it can be agreed that as a general rule, and where the economic interests of the country do not otherwise dictate, traffic rights at points in Canada should be used to obtain similar rights required by Canadian carriers in other countries; that is, they should not be granted except in return for concessions of reasonably equivalent value. For instance, as far as transatlantic carriage is concerned, the Toronto area is now reasonably well served through quick connections with Montreal. There would be no very strong reasons why we should grant to BOAC traffic rights between London and Toronto unless we were thereby able to obtain required and equally valuable traffic rights in return.

(b) However, if there is a clear economic advantage to the country or a part of the country in a certain international route being operated and if a Canadian carrier is not prepared to provide services it might become desirable to permit a foreign carrier to operate the route, always provided that protection is assured for the right of a Canadian carrier to enter the route when it is prepared to do so. For instance, it is clear that a service could be flown from Western Canada — say Edmonton — over the Arctic to London with fewer stops and a considerable saving of distance compared to present services through Montreal. Based only on Western Canadian-United Kingdom traffic such a service might not be profitable immediately but it would have economic advantages for Western Canada which are likely to be important to the future development of that area. In such circumstances the immediate interest or lack of interest of Canadian carriers in the route need not be a decisive consideration. In the first place, if BOAC were prepared to fly via the Arctic to Edmonton on the basis of Third or Fourth Freedom traffic rights, and particularly if it can be shown that such a service would not draw off significant amounts of traffic from present Canadian services, good reasons would exist for permitting BOAC to develop this route. Secondly, if such services were delayed and Western Canada deprived of the advantage of faster and cheaper connections with the United Kingdom simply to ensure that Western Canadian traffic remains the monopoly of a Canadian carrier and continues to be funnelled through Eastern Canada, strong objections could and probably would be raised in the West.

[35] Pour une définition des cinq libertés de l'air, voir le document 563, note 9.
For a definition of the Five Freedoms of the Air, see Document 563, note 9.

5. It would appear to us that the United Kingdom must remain one of the most important countries on the map — second only perhaps to the United States — as far as our international civil aviation relations are concerned. The United Kingdom not only controls strategically located traffic and transit points in various parts of the world (Hong Kong, Singapore, Fiji, etc.) but her homeland is for Eastern Canada the gateway to Western Europe, the Middle East and points as far away as Bombay. Canadian services to these latter points could be operated most logically as extensions of the Montreal-London service as some services to Western Europe are now. With her position as a trading nation and depending so heavily on the expansion of a diversified export trade into wide-spread markets, Canada cannot delay too long in creating the extensive network of international air services which are becoming an important adjunct to the normal machinery for promotion of international trade. When Canadian international air carriers are ready to take further big steps forward in the international field, we are likely to find ourselves going once more to the United Kingdom for concessions. It is this probability which obliges External Affairs to take a particular interest in the forthcoming discussions. While we see no need whatsoever to give away useful concessions for no return, it will be very much in our long-term interest to restore and maintain with the United Kingdom authorities the best of relations and the rather special sort of amicability which the Commonwealth connection makes possible.

591. DEA/72-AMD-40

Note de la Direction économique

Memorandum by Economic Division

[Ottawa], March 10, 1953

CANADA-UK CIVIL AVIATION DISCUSSIONS

The discussions began on Thursday, February 26, continued through Friday and ended with a session on Monday afternoon. The UK spokesman was D.I.R. Muir of the Ministry of Civil Aviation, supported by Brancker of BOAC and Kenneth East of the United Kingdom High Commissioner's Office. Smith Macdonald[36] handled the discussions for the Air Transport Board. Irwin and Hyndman were present for External Affairs and Gordon Wood (Vice-President of TCA) attended most of the sessions.

2. Thursday morning and afternoon were given over to hearing the UK proposals. These are listed under six items below. Briefly, they aimed first at clearing away two or three outstanding questions between the two countries and secondly at initiating a new round of negotiations over traffic rights and routes.

[36] A.S. Macdonald, directeur exécutif et conseiller juridique, Commission des transports aériens.
A.S. Macdonald, Executive Director and Legal Adviser, Air Transport Board.

1. British West Indies Cabotage Traffic

The UK has reached agreement with the US, the Scandinavian countries, the Netherlands and the French on the subject of cabotage traffic. The UK position that traffic between the UK and colonial territories is cabotage has been generally accepted. Muir said that UK authorities would like to have Canadian concurrence on the principle that this traffic is reserved to UK carriers. For their part, the UK authorities would be willing to see TCA carry traffic from the British West Indies to London via Montreal so long as full fares for the BWI-Montreal and Montreal-London sectors of the service were charged. They would also be glad to make arrangements whereby TCA could carry at "direct trip" fares, any BWI-London traffic which BOAC could not handle. As an alternative to all this, Muir offered the possibility of an exchange of cabotage rights, that is an exchange of rights to London-BWI traffic for traffic rights to Canadian points.

2. Carriage of Immigrants from the UK

Muir did not revive the question of carriage of immigrants on a fill up basis by BOAC and gave the impression that his authorities had decided to drop this question. He asked whether we would be willing to permit occasional charter flights for immigrants, and also whether we would agree to certain charter operators now carrying military personnel to Canada, filling up empty seats with immigrants.

3. Designation of Airwork Ltd. for Transatlantic Cargo Services

Muir said that his Government had decided as a matter of policy to permit participation by private companies in international civil air services. As a step in this direction, his authorities wished to exercise their rights under the Canada-UK Bilateral Air Agreement to designate a second airline for services between London and Montreal. The company would be Airwork Ltd. and would provide air cargo services only.

4. Onward flights privileges at London and Montreal

The UK proposal on this subject was embodied in a draft Exchange of Notes. Briefly, the UK agreed that in addition to the rights granted under the Air Agreement of 1949, TCA could combine its Paris and London services or its London and Dusseldorf so that London bound passengers could be disembarked in London and the aircraft could then proceed on to Paris or Dusseldorf with the remainder of its load. Similarly BOAC could combine its Montreal and New York services.

5. Amendment on Route 2 of Section II (UK routes) of the 1949 Air Agreement

The amendments to routes under the Air Agreement were obviously the most important points which the UK authorities desired to discuss. The UK proposed the following amendments to route 2 of Section II. The route 2 presently reads as follows:

Points of Departure. (Any one or more of the following).	Intermediate Points. (Any one or more of the following, if desired).	Destination in Canadian Territory. (Any one or more of the following if desired).	Points beyond. Any one or more of the folowing, if desired).
2. London Prestwick	Shannon Iceland Azores	Gander Montreal	

Amendment proposed: ADD: or Toronto

This would permit BOAC to have some flights going to Montreal and others to Toronto. They would not be authorized to serve both points on the same flights.

6. Amendment to Route 5 of Section II (UK routes)

Route 5 presently reads:

5. London Prestwick	Keflavik Goose	Either Churchill or The Pas, to be agreed between the Government of the United Kingdom and Canada	Alaska Aleutians Points in Japan Shanghai Hong Kong
Amendment proposed: ADD: DELETE:	 Shannon Goose	Delete: Present Wording ADD: Gander Montreal or Toronto Vancouver or Edmonton	ADD: Okinawa

In this proposal Montreal and Toronto were meant to be alternate points and similarly Edmonton and Vancouver. In other words BOAC planes on the way to Tokyo might land at Gander then at Montreal and then at Edmonton. They could not land at Montreal and Toronto both on the same trip nor at Vancouver and Edmonton both.

3. The proposals listed as five and six in the preceding paragraph represented the main objectives of the UK in these discussions. They indicate a new approach to the question of exchange of traffic rights. With some Comet aircraft satisfactorily in service and more coming, BOAC is confident that it has the advantage in competition. Consequently, the company is anxious to obtain more traffic rights to open up more routes for competition, and in return is willing to accept more competition on routes serving points in the UK. In brief, the UK now feels that its advantage lies in a more liberal attitude to the whole question of route exchanges.

4. As a starting point for negotiations Muir chose to put forward the view that the route exchanges incorporated in the 1949 Bilateral Air Agreement had in the course of time become heavily weighed in favour of Canada. He pointed out that TCA now has access to a long list of traffic generating points in the UK territory (London, Prestwick and points in the Caribbean) while except for Gander which is of no traffic significance BOAC has access to only one point in Canada that is Montreal. It became clear, however, that this position was a starting point only. It was the hope of the UK that Canada would come up with certain demands for

traffic rights in the UK. Muir had let us know informally that his authorities would be willing to consider the granting of traffic rights to TCA between London and any points in Western Europe except Paris. It must be remembered in considering the UK proposal for amendment to route 5 that the granting of full traffic rights at the points they requested would permit BOAC to carry a share of the Trans-Canada traffic (in competition with TCA) that is passengers proceeding to Western Canada destinations from the United Kingdom or vice versa and to carry Eastern and Western Canadian traffic to the Orient and vice versa (in direct competition with CPAL).

5. Before the end of the Friday morning session, the UK case had been presented and it became time for some statements to be made in reply but Smith Macdonald at this point lacked authority to say anything specific on the various points raised. There followed some hours of inconclusive discussions on Friday afternoon. During the week end Macdonald had a chance to see the Chairman of the Air Transport Board, Baldwin, who had been occupied with other business all the previous week. On Monday afternoon he gave the Canadian reply which summarized briefly, ran as follows:

(1) Though we would not be willing to formally accept the UK principles on Caribbean traffic, we would be glad to take up their offer to let TCA carry this traffic charging the sum of sector fares. Letters would be exchanged to that effect.

(2) The Canadian authorities would deal with applications for the charter carriage of immigrants in the light of whatever circumstances prevailed at the time of the application. In other words, there would be no objection in principle to this type of carriage. We would probably agree to the UK request for fill up privileges for charter carriers of military traffic.

(3) The Air Transport Board would be glad to facilitate the licensing of Airwork Ltd. for cargo services but Macdonald warned Muir that if both Airwork and BOAC were providing cargo services, difficulties might develop out of the capacity provisions of the Bilateral Air Agreement.

(4) Macdonald agreed that letters should be exchanged stipulating the points to which BOAC and TCA might extend their Canada-UK services without exercise of traffic rights. In the case of TCA these points would be Paris and Dusseldorf, while for BOAC they would be New York and Boston.

(5) Concerning the UK request for new rights on their routes 2 and 5, Macdonald warned that there was little chance that these could be met for the present. Part of the difficulty lay in the fact that neither Toronto, Edmonton or Vancouver are equipped to handle additional international services. The main difficulty was that at present, we have no really important demands to make on the UK while the routes they had proposed would offer a strong threat to TCA and CPAL revenues. We are therefore simply not in a position to make a deal with the UK at the present time.

6. Underlying the Air Transport Board's reluctance to engage in further route trading is TCA's lack of confidence in its own competitive ability arising out of its employment of obsolete aircraft and its shortage of even this kind of equipment. TCA's plans for replacing its North Star aircraft were slow in maturing. As they now stand there will be Vickers Viscounts for the domestic routes in 1954 and

1955, but the only equipment lined up for the international routes are Super-Constellations which will be in service only a year or two before they will meet the competition of BOAC Comet 3's or Comet 4's. TCA is therefore most anxious to protect its domestic monopoly, and consequently to prevent BOAC from carrying international traffic into or out of points inland from Montreal. The company is also markedly unwilling to take on new routes where it will have to compete with superior aircraft. Therefore, the prospect of traffic rights from London onward has little appeal.

7. The Canadian position will no doubt have been somewhat disappointing to the UK visitors but they must have had some knowledge of Canadian considerations and can hardly have been surprised. They obviously regarded these discussions merely as the opening round of a series. They made it quite clear that they would exercise their rights under the Bilateral Air Agreement to demand further discussions, and in his final words on this subject Muir hinted that they might eventually resort to cancellation of the Air Agreement if they did not obtain justice.

8. For our part it is satisfying to see three old problems — Carriage of Immigrants, BWI Cabotage, and Transit Rights — brought to settlement. The solutions given to those problems are as satisfactory as we could have hoped, and they will clear the air for future discussions. As regards the UK proposals for route amendments, the discussions which we regarded as preliminary in fact accomplished their purpose of enabling both parties to obtain a thorough understanding of each others views and problems.

J.E. HYNDMAN

Chapitre VII/Chapter VII

RELATIONS AVEC LE COMMONWEALTH
COMMONWEALTH RELATIONS

Première partie/Part 1

RÉUNION DES PREMIERS MINISTRES DU COMMONWEALTH
LONDRES, 3-10 JUIN 1953
MEETING OF COMMONWEALTH PRIME MINISTERS
LONDON, JUNE 3-10, 1953

592. DEA/50085-C-40

Extrait d'un télégramme du haut-commissaire au Royaume-Uni au secrétaire d'État aux Affaires extérieures

Extract from Telegram from High Commissioner in United Kingdom to Secretary of State for External Affairs

TELEGRAM 1093 London, June 4, 1953

SECRET. IMPORTANT.

MEETING OF COMMONWEALTH PRIME MINISTERS

The first meeting took place as scheduled yesterday. Pickersgill and I accompanied the Prime Minister. Copy of the official minutes (subject, however, to correction by Prime Ministers if necessary) has gone forward to you by bag today. Following is a summary of the main points made during the discussion. . . .

7. Mr. St. Laurent said that "when he had originally heard about the Bermuda meeting[1] he had hoped it would lead to a subsequent meeting with the Soviet Union. The announcement of the Bermuda meeting itself had already had a very good effect in showing the world that there was no serious difference of view between the three allied powers concerned; and it was certainly necessary to hold such a conference with the President of the United States before any approach was made to the Soviet Government, since it would be necessary to persuade the President that a four power meeting was worthwhile. It was also desirable, whatever the disadvantages might be, to include the French in the Bermuda meeting, since it was right that one of the continental powers should be represented. Care should be taken to avoid the impression that the Bermuda meeting was an attempt to concert action against the Soviet Government; but, if the Russians wished to provide themselves with an excuse for causing a breakdown in a subsequent four power meeting or to refuse to take part in one, they would not find it difficult to invent some other pretext."

. . .

[1] Voir le document 481, note 13./See Document 481*n*. 13.

593. DEA/50085-C-40

Extrait d'un télégramme du haut-commissaire au Royaume-Uni au secrétaire d'État aux Affaires extérieures

Extract from Telegram from High Commissioner in United Kingdom to Secretary of State for External Affairs

TELEGRAM 1105 London, June 5, 1953

SECRET

MEETING OF COMMONWEALTH PRIME MINISTERS

Reference: My telegram No. 1093 of 4 June.

The second meeting of Prime Ministers was held on 4 June. Copies of draft minutes have gone forward to you by bag to-day.

. . .

Korea

. . .

Mr. St. Laurent agreed with Mr. Selwyn Lloyd that it would not be practicable to achieve a unified Korea immediately after a truce. If as a result of a truce, both North and South Korea could be included in rehabilitation schemes, then this would be the best way of leading to a unified Korea.

. . .

594. DEA/50085-C-40

Extrait d'un télégramme du haut-commissaire au Royaume-Uni au secrétaire d'État aux Affaires extérieures

Extract from Telegram from High Commissioner in United Kingdom to Secretary of State for External Affairs

TELEGRAM 1108[2] London, June 6, 1953

SECRET

MEETING OF COMMONWEALTH PRIME MINISTERS

Reference: My telegram No. 1105 of June 5.

In their meeting on June 5, the Prime Ministers addressed themselves to Middle East problems, with particular emphasis on Egypt. Text of the minutes has gone forward by bag.

. . .

[2] On n'a pas trouvé les résumés canadiens de la quatrième réunion (8 juin) qui concernait l'Europe et la Corée, d'une réunion spéciale qui eut lieu le même jour au cours de laquelle furent examinées les questions de la défense du Royaume-Uni et de l'Égypte, et de la cinquième réunion où furent discutées des questions d'ordre économique et où les déclarations finales furent prononcées.
Canadian summaries of the Fourth Meeting (June 8) which dealt with Korea and Europe, a special meeting on the same date which considered United Kingdom defence and Egypt, and the Fifth Meeting, which included discussion of economic matters and closing statements were not located.

5. Towards the close of the discussion, Mr. St. Laurent said that he felt that the root of the problem was to persuade the Egyptian Government that for reasons that none could escape the matters under dispute were matters of international concern. He hoped that Mr. Nehru and Mr. Mohammed Ali would try to convince General Naguib[3] of the truth of this and would impress upon him that there was no question of the United Kingdom wishing to impair in any way the sovereignty of Egypt.

6. In conclusion, Sir Winston Churchill said that he would be most grateful if Mr. Nehru and Mr. Mohammed Ali would do their best, without offering to act in any way as mediators, to convince General Naguib of the soundness and firmness of the present United Kingdom proposals.

7. The next meeting will take place on Monday morning. It will be concerned with completing outstanding business and approving a final communiqué.

595. DEA/50085-C-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM PRESS NO. 1 London, June 10, 1953

MEETING OF COMMONWEALTH PRIME MINISTERS

Following for your records is text of final communiqué as approved at final session of Prime Ministers' meeting and published in this morning's press. Text begins:

The final plenary session of the meeting of Commonwealth Prime Ministers was held this afternoon. The Prime Ministers have met at a time of general rejoicing. The presence at the Coronation of representatives of all parts of the Commonwealth has illustrated the unity and the variety of the Commonwealth Association of which Her Majesty is the head. The discussions which the Prime Ministers have held have once more demonstrated the concord which exists between all the governments and peoples of the Commonwealth despite their varying interests and circumstances in their approach to the major problems of the world today.

This sense of concord has been strengthened by the discussions of the past week. These have enabled the Prime Ministers to undertake comprehensive and realistic review of the international situation and there has been a personal exchange of views which will help all the Commonwealth Governments to continue their conduct of foreign relations with renewed understanding of the policies and interests of their partners in the Commonwealth.

The Prime Ministers found it specially valuable to have this opportunity for personal discussions so shortly before the proposed meeting at Bermuda between the Prime Minister of the United Kingdom, the President of the United States and the

[3] Mohammed Naguib, premier ministre et ministre de la Guerre de l'Égypte.
Mohammed Naguib, Prime Minister and Minister of War of Egypt.

Prime Minister of France. They reviewed the state of relations with the Soviet Union and agreed that no opportunity should be lost of composing, or at least easing, the differences which at present divide the world. But they recognized that the democracies must maintain their strength and exercise unceasing vigilance to preserve their rights and liberties.

The Prime Ministers reviewed recent developments in Western Europe. The Commonwealth countries associated with or interested in the North Atlantic Treaty Organization expressed the hope that the European Defence Community would be established at the earliest possible date.

The Prime Ministers followed with close interest the concluding phases of the armistice negotiations in Korea. They noted with gratification that long and patient labours have now led to the conclusion of an agreement on prisoners of war and thus made way for the early signature of the armistice agreement. They exchanged views on the steps which have to be considered after the end of hostilities in Korea for the promotion of stability and progress throughout the Far East and South East Asia.

The current problems of the Middle East were also discussed. The Prime Ministers recognized the international importance of the Suez Canal and of the effective maintenance of the military installations in the Canal Zone. They agreed that it is in the common interest that the outstanding issues in the Middle East should be settled on the basis of ensuring the peace and security of the Middle East countries consistently with the sovereignty of each and promoting their social and economic development.

The Prime Ministers reviewed developments in the economic field following the Commonwealth Economic Conference of December 1952. They agreed that the Commonwealth countries should adhere firmly to the long term objectives and lines of policy then laid down. In the meantime it was essential to take advantage of the improved outlook for the sterling area by continuing to strengthen the economy of each of the countries concerned. Particular attention was given to the need for stimulating economic development, for expanding exports and consistently, with the maintenance of adequate reserves, for removing progressively restrictions on trade over as wide an area as possible and especially within the Commonwealth and the sterling area.

Throughout this Coronation period the Prime Ministers have taken advantage of many opportunities for informal talks on matters of particular interest to two or more countries and on general subjects which have not been discussed in the plenary sessions. Although those sessions are now over some of the Prime Ministers will be remaining in London for a further period during which these exchanges will be continued. Text ends.

2e PARTIE/PART 2

VISITE DU PREMIER MINISTRE
PRIME MINISTER'S TOUR

596. DEA/11563-5-40

Le haut-commissaire en Inde au premier ministre

High Commissioner in India to Prime Minister

New Delhi, August 24, 1953

Dear Mr. St. Laurent,

Dr. Rhadakrishnan[4] gave a lunch on Saturday, August 22, at the President's house for the Heads of Mission of the countries he visited this summer. The Prime Minister was present.

Immediately after lunch, the Prime Minister came up to me and said, "I want you to write immediately to Mr. St. Laurent to remind him that at the meetings in London he said that if he got through the elections all right, he hoped to visit India this year."

Mr. Nehru said that, of course, November, December, January and February were the best months to visit India. I said that I understood the House would be meeting in Ottawa the middle of November and it might be that, if you could visit India this winter, you would find that January was the best month. Mr. Nehru said that January would be excellent as far as he was concerned since the House would not be in session here.

I do hope that you will be able to accept Mr. Nehru's renewed invitation. He is, as you know, most anxious that you should pay a visit to India as soon as possible. Mr. Nehru wants you to stay in India as long as you possibly can.

Mr. Nehru said that he was very happy to hear of your victory in the election. He had wanted to telegraph or write you but he did not know whether it was entirely appropriate for a Prime Minister of one part of the Commonwealth to congratulate the Prime Minister of another part on an electoral victory.

This led us into a discussion of general election campaigns in Canada and India and as a result Mr. Nehru sent me the enclosed map showing the tours which he made in the last general election campaign here.† He asked me to send it to you. You will see that he covered almost 26,000 miles, that he made 305 speeches in 46 days, and spoke to about 30 million people.

Mr. Nehru looked ten or fifteen years younger on Saturday than he did three or four weeks ago. He was in a very gay mood when we saw him at lunch and later in the afternoon at the opening of a fair. He has, I think, been weighed down by the burden of having to make up his mind on what concessions he should offer Mr.

---

[4] Sarvepalli Rhadakrishnan, vice-président de l'Inde.
Sarvepalli Rhadakrishnan, Vice-President of India.

Mohammed Ali on Kashmir. It was obvious on Saturday that there had been an immense lightening of his spirit as a result of his talks with Mr. Mohammed Ali.

Mr. Mohammed Ali, as you know, is also expecting you to visit his country. He spoke to Ruth about this at one of the official dinners here last week.

I do hope that you will find it possible to accept Mr. Nehru's invitation and that Madame St. Laurent will accompany you to India. Ruth and I would consider it such a great pleasure to have you stay with us and to help to show you something of this fascinating country.

May I add my congratulations on your victory in the elections. You must feel immensely heartened by this remarkable demonstration of public confidence in you and in your administration.

Ruth joins me in sending the very best of good wishes to Madame St. Laurent and yourself.

Yours sincerely,

ESCOTT REID

597. DEA/11563-5-40

Le premier ministre au haut-commissaire en Inde

Prime Minister to High Commissioner in India

Ottawa, September 10, 1953

My dear Escott [Reid]:

I thank you for your kind letter of August 24th.

My thinking about a trip to the East had been along the following lines. Parliament would meet in November and we would hope to get through with the Address before Christmas. It would reconvene early after the turn of the year and we would get our legislature introduced and advanced to the Committee stages probably by the first or second week in February and then I could get away for some time without my absence seriously interfering with the progress of the session.

I had thought of going by way of Paris and Rome, where I would have to make short stops, then visiting New Delhi, Karachi, Colombo, Tokyo and returning by way of Australia and New Zealand. Mike [L.B. Pearson] thinks it might be preferable to set out westward and have made my eastern trip before going to European capitals.

My wife would not accompany me but I think one of my daughters would and perhaps also my son, Jean-Paul. I am to see the High Commissioners as soon as possible and, when my plans become more definite, I will communicate with you again.

I am sorry to hear that you had been somewhat indisposed and I hope you will by this time have fully recovered.

Kindest regards to Mrs. Reid and your daughter, as well as to yourself.

Sincerely,

LOUIS S. ST-LAURENT

598. DEA/11563-5-6-40

Le premier ministre de l'Inde au premier ministre

Prime Minister of India to Prime Minister

[n.d.]

I am very happy to learn that we may expect you in India early next year. I need not tell you how welcome you will be here. I hope that Madame St.Laurent will also come with you. We shall be glad to have as our guests your son and daughter also.

Your coming here will not only give us the pleasure of meeting a friend for whom we have respect and affection, but it will also give us an opportunity to express our goodwill to Canada with whom it has been our good fortune to co-operate in so many matters. It has made me happy to see this increasing co-operation in wider affairs between Canada and India.

As soon as possible and after knowing your dates in India and the period of your stay, we shall draw up your programme in consultation with your High Commissioner here.

All good wishes.

599. DEA/11563-5-6-40

Le premier ministre au haut-commissaire de l'Inde

Prime Minister to High Commissioner for India

Ottawa, September 15, 1953

My dear High Commissioner:

I thank you for delivering to me this afternoon the message from your Prime Minister, concerning my forthcoming visit to India early next year. I should appreciate it if you would send to Mr. Nehru the following communication:

"I wish to thank you for your most recent message conveyed to me by your High Commissioner, concerning my proposed visit to India next year. I do appreciate your expression of goodwill and I need hardly add that I am looking forwarding to my trip with great pleasure.

It is good of you to have as your guests, as well, my son and daughter. I am afraid, however, that my wife will be unable to accompany us because her health is such that her doctors will not allow her to fly. She is sorry that she will be unable to be your guest and see something of India.

With kind regards. Louis S. St-Laurent".

Yours sincerely,

LOUIS S. ST-LAURENT

600. DEA/11563-5-40

Note du cabinet du premier ministre pour le cabinet du secrétaire d'État aux Affaires extérieures

Memorandum from Office of Prime Minister to Office of Secretary of State for External Affairs

[Ottawa], September 10, 1953

PRIME MINISTER'S TRIP AROUND THE WORLD

I had a word with the Prime Minister concerning his plans for the trip at the beginning of next year, and, while he said that what follows was just his preliminary thinking, I think you can assume that if everything can be worked in satisfactorily in the time indicated, his ports of call will be:

Bonn
Paris
Rome
Cairo (just a stop en route)
New Delhi
Karachi
Colombo
Malaya
Australia
New Zealand
Tokyo

Mr. St-Laurent indicated that while in India he should probably go to Bombay or Calcutta but this of course would be left up to what Mr. Nehru suggests. The Pakistanis, I understand, would like him to have a look at the work Canada is contributing through the Colombo Plan. When in Germany, the Prime Minister assumes the Minister of National Defence would like him to see our troops and airmen. While[5] Malaya is on the list, Mr. St-Laurent said that this would depend upon conditions in the country at that time. The Prime Minister also mentioned Korea but that, too, would depend on the situation that prevails at the time.

The Prime Minister proposes to be away for a total of five weeks. He does not yet know the precise date of departure so plans should be worked out on a D-Day basis at the moment. I assume he will leave late in January or early in February. He indicated to the press the other day that he would not like to get away until all the

---

[5] Le document porte l'annotation suivante:
The following was written on this copy of the document:
Mr. Pearson indicated he thought that if there were a choice between Malaya and Korea, the latter might be preferable because of the presence of Canadian troops. E. de L [otbinière] 11/9/53
[A.C.E. Joly de Lotbinière était membre du ministère des Affaires extérieures./A.C.E. Joly de Lotbinière was a member of the Department of External Affairs.]

legislation to be introduced is on the Order Paper of the House and the various committees are established.

Could you arrange to have invitations come forward from the countries mentioned and draw up a draft timetable.

Mr. St-Laurent thinks he should be in India longer than in any other country.

W.R. M[ARTIN][6]

601. DEA/11563-5-40

Note du sous-secrétaire d'État par intérim aux Affaires extérieures pour le premier ministre

Memorandum from Acting Under-Secretary of State for External Affairs to Prime Minister

[Ottawa], September 18, 1953

I have now had an opportunity to bring Mr. Pearson up to date on the progress made in organizing your world tour. Mr. Pearson is in full agreement with your suggestion to visit Europe first and then go straight from Rome to New Delhi. The only remark he has asked me to pass on to you in this connection is that he thinks that it would be misunderstood if you did not visit London — even if only for an overnight visit. If you agree with this your first stop could be in London before reaching the Continent.

2. You may be aware that the RCAF are also against a westward trip as the aircraft would be fighting the prevailing westerly winds thus adding 25% to the flying time. In addition the Prime Minister of New Zealand has asked us to bear in mind the Royal Tour to New Zealand as a factor in the timing of your visit there.

3. At present the European tour would include visits to Paris, Bonn, and the Brigade, and Rome. No invitations have yet been sought for that part of the trip. I have been approached, however, by the representatives of Israel and Spain who have enquired whether an invitation would be welcome. I took this up with Mr. Pearson who is of the opinion that no further invitations should be accepted and that you might wish to limit your trip to Europe to the original countries you had in mind with the inclusion of the United Kingdom. It would, in any event, be very difficult to add to the present schedule unless you are prepared to spend more time on this tour than the five weeks which are now available.

4. As far as the Far Eastern section of the tour is concerned, invitations have already been received from India, Pakistan, Australia and New Zealand. Mr. Mayhew reports, after informal enquiries, that the Japanese Government would undoubtedly extend an invitation in the light of the warm welcome given Prince Akihito by Canada. Mr. Mayhew also recommends that, for climatic reasons, March would be

[6] W. Ross Martin, du cabinet du premier ministre.
W. Ross Martin, Office of Prime Minister.

better than February for a visit to Japan. The only country from which we have not heard yet is Ceylon; we hope to obtain some information within the next few days.

5. The RCAF have suggested two itineraries for your consideration:

Rockcliffe
* Gander
Paris
Rome
* Baghdad
New Delhi
Karachi
Colombo

(1)
* Bangkok
* Manila or Hong Kong
Tokyo
* Guam
* Port Moresby
Canberra
Wellington
* Fiji
* Canton
* Honolulu
* Travis
Rockcliffe

OR

(2)
* Singapore
* Darwin
Canberra
Wellington
* Guadalcanal
* Guam
Tokyo
* Wake
* Honolulu
* Travis
Rockcliffe

The first itinerary would consume 118 hours; the second 123 hours. To these totals must be added at least 15 hours for refuelling and maintenance at stops indicated by asterisks, exclusive of other fuelling and maintenance operations which will be done at regular ports of call, and, possibly, three overnight stops on the longer hauls.

You will note that approximately seven days out of thirty-five would be consumed in flying time, refuelling and maintenance, and overnight stops. The RCAF is working on a detailed schedule which we hope to obtain in the near future. Were you to limit your trip to five weeks this would leave twenty-eight days to visit ten countries if London is included and also spend some time with the Brigades in Germany and Korea, making an average of a little over two days in each place. This means an extremely tight schedule and possibly an uncomfortable trip. The addition of a further week might have to be considered. You may wish to defer the decision on this point until we obtain the detailed schedule from the RCAF.

6. I should be glad to obtain some guidance on the following points:

(a) whether you agree to spend some time in London;

(b) whether you agree that all further invitations including those from Israel and Spain be discouraged;

(c) whether we can now go ahead and sound out the French, German and Italian governments;

(d) whether we can inform our Missions of the general tentative timing of the trip; i.e. departure from Ottawa early in February, staying in New Delhi either the

last week in February or the first week in March and thence to Pakistan, Ceylon, Korea, if advisable, Tokyo and Australia and New Zealand.

C.S.A. R[ITCHIE]

602. DEA/11563-5-40

Note pour le secrétaire d'État aux Affaires extérieures

Memorandum for Secretary of State for External Affairs

CONFIDENTIAL Ottawa, September 23, 1953

THE PRIME MINISTER'S WORLD TOUR

Plans for the Prime Minister's trip are proceeding apace and I understand that Mr. Léger hopes to have ready for submission to you, upon your return on the 25th, a tentative itinerary and schedule which has been based on indications of the Prime Minister's thinking in this matter and your comments from New York.

2. In the meantime, the latest news, of which you may already be aware, from the Prime Minister's office, is that Mr. St-Laurent is willing to extend his trip from five to six weeks away from Ottawa, of which one week, the longest stay, will be spent in India. This should leave between three and four weeks for the remaining visits, as it appears that under the most optimistic calculations at least ten days will be consumed in flying time, refuelling and overnight stops. The Prime Minister, whose immediate party will include his son and daughter, his Principal Private Secretary and a social stenographer, does not wish to fly at night. Mrs. St-Laurent will join him on the Continent for the European ports of call.

3. The itinerary, as it stands at present, includes the following stops in sequence:[7]

Departure —

Rockcliffe (probably first week of February, 1954)
Goose Bay (overnight stop)
Paris
Bonn (including the 27th Brigade and possibly the Air Division)
Rome
Baghdad (or other appropriate stop for refuelling and sleep)
New Delhi
Karachi
Colombo
Korea (25th Brigade)
Tokyo
Canberra
Wellington

E. DE L[OTBINIÈRE]

[7] Note marginale:/Marginal note:
London omission most regrettable. L.B. P[earson]

603. DEA/11563-5-40

Note du secrétaire d'État aux Affaires extérieures pour le premier ministre

Memorandum from Secretary of State for External Affairs to Prime Minister

[Ottawa], September 28, 1953

Since my last memorandum of September 18 on the subject of the world tour which you are envisaging some further progress has been made and the position at present is as follows:

2. The trip can be made comfortably in the six weeks you are prepared to spend. The European section of the tour would only take eleven days (for three countries). A departure from Ottawa on February 10 (Wednesday) would bring you to New Delhi on February 23 (Tuesday).

3. Thenceforth, you could spend approximately one week in India, four days each in Pakistan and Ceylon (including a Sunday), one and one half days with the Brigade in Korea, three days in Tokyo, and two and one half each in Canberra and Wellington, arriving back in Ottawa on March 26.

4. The European tour would include visits to Paris, Bonn and the Brigade (possibly RCAF establishments in France and Germany), and Rome, with approximately three days in each country. The invitation from Italy has been accepted. The invitation which was sought from France has been most cordially extended. The German Foreign Office has immediately responded to our inquiry and we can expect word from Chancellor Adenauer the moment he returns from his holiday in the Black Forest. Should the RCAF plane not be able to land in the neighbourhood of the Canadian Brigade in Germany, an RCAF Dakota could fly you north from Bonn and back if you agree. Suggestions from the local Ambassadors for invitations from Spain and Israel have been declined.

5. The only new development as far as the Asian section of the tour is concerned is the insistent invitation of Indonesia. The Indonesian Cabinet attach great political importance to this and would be satisfied if you could spend at least a night in Djakarta. The RCAF sees no technical objection to a stop-over there. Such a stop would not involve your going very far out of your way on the trip from Colombo to Korea, and by stopping over in Indonesia you would avoid a two-hour refuelling stop in Bangkok. It would also permit of an overnight stop in Singapore, if you wished, at the cost of adding one day to the journey (see map attached†). If the present itinerary is found satisfactory New Delhi will be your first port of call in Asia. We are asking Mr. Escott Reid to find out what are the cities that Mr. Nehru would like to show you in India. Our High Commissioner in Ceylon has shown great enthusiasm at the news that you might visit there and he is informing the local authorities immediately whose interest is not in doubt. In Korea, only a visit to the Brigade is contemplated.

6. The RCAF have suggested the following itinerary for your consideration:

Rockcliffe
* Gander
Paris
Bonn
Rome
* Habbaniyah
New Delhi
Karachi
Colombo

(1) OR	(2) OR	(3) OR	(4) OR	(5)
* Bangkok	* Bangkok	* Singapore	* Singapore	Djakarta
Manila	* Hong Kong	Manila	* Hong Kong	Manila
Seoul	Seoul	Seoul	Seoul	Seoul

(See map attached†)

Tokyo
* Guam
* Townsville
Canberra
Wellington
* Fiji
* Canton Island
* Honolulu
* San Francisco
Rockcliffe

You will note that there is suggested an overnight stop in Habbaniyah, which is strictly an RAF base located approximately 30 miles west of Baghdad. The alternative would be a back-breaking 16-hour journey and a very late arrival New Delhi time. You could stay in Habbaniyah overnight without the political susceptibility of the Middle East countries being affected. Stops indicated by asterisks would be for refuelling, maintenance operations or overnight crew rests.

The RCAF strongly recommend a Manila stop as against one at Hong Kong. They will have to give at least an overnight rest to the crew in either place but they much prefer to take you to Manila because the weather is most uncertain in the Hong Kong area in March, and the trip might be delayed thereby. It is likely that you could not escape an official reception if you stopped overnight in Manila.

7. I should be glad to obtain some guidance on the following points:

(a) Accepting or declining the Indonesian invitation?

(b) Overnight at Habbaniyah?

(c) The overnight stop in Manila (as against Hong Kong) at the cost of probably being submitted to some form of official entertainment there?

(d) A short visit to Singapore?

(e) The probable date of your departure in February?

L.B. P[EARSON]

604. DEA/11563-5-40

Note du sous-secrétaire d'État par intérim aux Affaires extérieures pour le premier ministre

Memorandum from Acting Under-Secretary of State for External Affairs to Prime Minister

[Ottawa], October 16, 1953

WORLD TOUR

Following a meeting held in the Department at which Mr. Ross Martin of your office was present and gave certain indications of your wishes, we had the RCAF prepare the attached draft schedule for your journey.† It will be noted that this schedule is at variance with the previous one on the following points:

(1) The inclusion of London;

(2) The suggested stop at Bahrain instead of Habbanyiah between Rome and the Far East. Bahrain was suggested by Mr. Menzies of the Far Eastern Division, who stopped there with Mr. Pearson a few years ago and highly recommended the local amenities. It is a joint Anglo-US base; it certainly would be less frugal than Habbanyia and would bring you closer to your next stop, Karachi;

(3) Your stop at Karachi comes before that at New Delhi;

(4) Djakarta is included between Colombo and Manila. The Indonesians have expressed keen interest in having you visit there, if only overnight. The effect of your visit can not but be most beneficial and since a fuelling stop must be made in that general area, it would seem to be more appropriate for you to stop at Djakarta if you think you can spare the time, than to just put in two hours for strictly fuelling purposes at Bangkok.

(5) Singapore is enroute to Djakarta. It would also be possible to stop there overnight or even just for fuelling, during which time I am certain Mr. Malcolm MacDonald[8] could join you for a chat at the airport.

2. The RCAF on the basis of indicated hours of arrival (local time) have worked back to the hours at which flights should start.

3. We received yesterday from our High Commissioner in Colombo copy of a letter written to him on October 1 by Mr. Senanayake, the Prime Minister of Ceylon who has since resigned, warmly welcoming the news of your proposed visit and suggesting that you be the guest of the Government. There is no doubt that his successor, Sir John Kotalawala, will, when he is acquainted with your intentions, be just as warm in his welcome.

4. It would be possible to study an inversion of the tour to put the visit to Australia and New Zealand ahead of that to Korea and Tokyo where the tour would for practical purposes be concluded. I understand that the total flying time would not

---

[8] Commissaire général pour le Royaume-Uni dans l'Asie du Sud-Est.
Commissioner-General for United Kingdom in South-East Asia.

be changed; such an approach might, however, make the stops more conveniently spaced. It would, however, require that the journey be started at least a week later than February 4, as it would bring you to the capital of Australia at almost the same time as Her Majesty the Queen would be visiting there.

5. You will note that unless the journey between San Francisco and Rockcliffe is broken, arrival at a reasonable hour in Ottawa requires a very early start indeed from San Francisco.

6. A new map of the proposed journey is attached.†

605. DEA/11563-5-2-40

Note du cabinet du premier ministre

Memorandum by Office of Prime Minister

CONFIDENTIAL [Ottawa], October 30, 1953

MEMORANDUM FOR: THOSE CONCERNED WITH ARRANGEMENTS FOR PRIME MINISTER'S TOUR AROUND THE WORLD

Mr. St-Laurent has informed me that generally speaking he would prefer to spend as much time as feasible talking to personalities in the countries which he will visit. His personal wish is for as little "fuss and feathers" as possible. He would like, for instance, not to address Parliaments or to receive honorary degrees or be put on display throughout all his waking hours. On the other hand, the last thing he wants is the creation of any impression that he thinks the receipt of an honorary degree from a Far Eastern University might be beneath him. If functions of this kind are considered advisable, the Prime Minister has no objection to having them included in his itinerary but he would like them kept to a minimum.

Previous experience has indicated that, so far as possible, Mr. St-Laurent should be given a full eight hours' sleep each night and that his day should not start much before 10:00 a.m. at the earliest. It is also desirable to have a period in each day of two hours to rest and to do some homework, preferably before dinner in the evening. Dinners beginning at 7:30 p.m. are not unwelcome either. We should aim at getting the Prime Minister back to his lodgings by 11:00 o'clock in the evening.

W.R. M[ARTIN]

606. DEA/11563-5-5-40

Extrait d'une note de la Direction du Commonwealth

Extract from Memorandum by Commonwealth Division

[Ottawa], December 31, 1953

PRIME MINISTER'S TOUR

The Prime Minister will visit the Commonwealth countries of Asia — Pakistan, India, and Ceylon — early this year. Following his visit to these countries where he will spend just over two weeks, the Prime Minister will travel to the Far East through South East Asia, visiting Indonesia briefly and stopping overnight in Manila en route to Korea. While in Korea he will spend some time with the Canadian Forces. Before returning to Canada, the Prime Minister will pay a visit to Japan.

On the way to Pakistan, India and Ceylon, the Prime Minister will spend a short time in Europe, stopping briefly in London and visiting Paris, Bonn and Rome. While in Germany he will visit Canadian Forces stationed in Europe under the NATO arrangements for collective security. The whole trip is expected to take just under six weeks and will start early in February.

Throughout the trip, the Prime Minister will have an opportunity to talk with leaders of governments and other important personalities in the countries he will visit. In this way he will be able to gain direct knowledge of the problems and aspirations of many peoples who are geographically remote from Canada but who are playing an increasingly important part in world affairs. Also, the Prime Minister will repay visits to Canada made by Mr. Nehru of India in 1949, the late Prime Minister of Pakistan, Mr. Linquat Ali Khan, in 1950, the Prime Ministers of France and Italy, and Chancellor Adenauer of Germany. His visit to Japan follows the recent visit of Crown Prince Akihito of Japan, who visited Canada in 1953.

When first planned, the Prime Minister's trip would have taken him to Australia and New Zealand following his visit to Japan and this has been mentioned in the press. The Queen would still be in Australia when the Prime Minister planned to be there, though not in the same part of the country. Nevertheless, this would entail inconvenience for the officials making arrangements in Australia. Also, because the time available for the visits to Australia and New Zealand was very short, it would have been difficult to do justice to either country. Consequently, we have proposed, and the governments of Australia and New Zealand have agreed, to a postponement of the Prime Minister's visits to these countries. It is expected that this will be mentioned in an announcement about the Tour to be made early in the New Year.[9]

. . .

[9] En marge de ce paragraphe, l'annotation suivante a été dactylographiée :
The following was typed beside this paragraph:
Confidential until announcement is made.

3e Partie/Part 3

PLAN DE COLOMBO
COLOMBO PLAN

Section A

VISITE ANNUELLE DE L'ADMINISTRATEUR CANADIEN EN ASIE DU SUD
ANNUAL VISIT TO SOUTH ASIA BY CANADIAN ADMINISTRATOR

607. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Divisions

Restricted [Ottawa], February 9, 1953

. . .

THE COMMONWEALTH

Colombo Plan

7. *Mr. Ritchie*. Mr. Cavell,[10] accompanied by Mr. Hume Wright of the Department of Finance, will be leaving next week for his annual visit to Asia to consult with local government officials on possible projects for Canadian Colombo Plan aid and to examine these projects on the spot. Our missions in Ceylon, India and Pakistan have been requested to do everything they can in the way of advance preparation so that the Cavell trip will have maximum results in lining up suitable projects for inclusion in the 1953-54 programme and for a basis of future operations. Mr. Reid will accompany the party for at least part of the Indian tour and he has been asked to assign an officer of his staff where he cannot go. Mr. Kirkwood has also been asked to release an officer from his mission to accompany the party in both East and West Pakistan, and Mr. Thurrott[11] will join Mr. Cavell and Mr. Wright for the visit in Ceylon.

The $25 million Canadian contribution voted by Parliament for 1951-52 has been completely earmarked for projects which are either completed or under way. The 1952-53 programme, for which Parliament also voted $25 million, has not yet been worked out in full. India has already received $5 million worth of wheat during the current year and certain projects, for which direct capital assistance is required, are nearing the point of final agreement. The total cost of all these projects would just about use up the funds available for India. The Ceylon programme also is just about complete, with a $1 million fisheries project already under way and a

---

[10] R.G. (Nik) Cavell, Direction de la coopération internationale, économique et technique, ministère du Commerce; administrateur du Plan de Colombo au Canada.
R.G. (Nik) Cavell, International Economic and Technical Co-operation Division, Department of Trade and Commerce; Administrator of Colombo Plan in Canada.

[11] J.H. Thurrott, deuxième secrétaire, haut-commissariat à Ceylan.
J.H. Thurrott, Second Secretary, High Commission in Ceylon.

$1 million rural electrification project almost certain to be undertaken. Unfortunately, very little progress has been made with the Pakistan programme due to the fact that all the projects submitted by Pakistan, with one exception, have proved upon investigation to be impractical or inadequately prepared, or for some other reason unsuitable for Canadian assistance at least during the current year. The one exception, a hydro-electric plant, is very highly recommended but it may have to be deferred pending the completion of a survey of the whole development plan of Pakistan, to be undertaken by an International Bank Mission.

. . .

608. DEA/11038-1-40

Extrait d'une lettre de l'administrateur du Plan de Colombo au directeur de la Direction des relations économiques internationales du ministère des Finances

Extract from Letter from Administrator of Colombo Plan to Director, International Economic Relations Division, Department of Finance

PERSONAL New Delhi, March 27, 1953

My dear John [Deutsch]:

An old friend of mine has been here in Delhi: Bernstein of the Monetary Fund. He came out as the Head of the International Monetary Fund Mission. Hume [Wright] and I have had talks with him here, and I enclose the press report giving some of his conclusions which you might find interesting.[12] He is very pleased — in general — with what he has found here, and thinks the Indians are doing a good job taking all their difficulties into consideration.

Each time I come here I am more and more seized with a sense of the great urgency of the cause upon which we have embarked. Unfortunately, time is not on our side. The two countries which are vital are China and India, and I believe that the cause of human freedom in Asia — and perhaps eventually elsewhere — will be won or lost in the race which must now obviously take place to decide the pattern upon which the whole of Asia will eventually industrialize. It is only too obvious that this industrialization is going to affect us in the most profound way and be a determining factor in shaping the lives of our children.

More and more it seems to me that we absolutely cannot allow the Indian Five Year Plan to fail — if we do, (we meaning the Western World) there will be chaos here in India which might lead anywhere, but will almost certainly end the present democratic experiment. If, on the other hand, the Five Year Plan can be got through with a reasonable amount of its objective having been realized, then there is real hope that the democratic way can be established for most of Asia. Bernstein, and others to whom I have talked, do not think that much more money will be required

[12] Non trouvé./Not located.

than is now visualized, but we might well all have to rethink our plans for participation to put the Five Year Plan over the top.

I am personally appalled at the almost complete lack of any evidence that what we are trying to do is winning us any friends, and I believe that the winning of the very real friendship of these people is vital. I was told in the South that they would welcome aid from us (and God knows they need it, particularly in Madras now in its sixth year of drought) but they hated getting all tangled up in the red tape of the Central Government. In any case, the Central Government makes them pay counter-part funds to the full extent of every nut and bolt, and so they were much happier to get a grant from the Central Government, or to use their own Provincial Funds and buy where they liked, and above all, have complete control over deliveries, co-ordination, etc., etc., which enabled them really to get something done. You will remember the Central Government had almost to beat West Bengal into taking $3 million from us for Mayurakshi electrical equipment. It is the same story in every State: Canadian aid is just a bothersome, restricting, and very expensive business to them. It is no wonder that Canada makes no friends from her aid programme. I am not sure yet what the answer is, but hope to come up with some suggestions when I get back.

Just at the present moment I am still in Delhi whilst Escott [Reid] and Hume have gone on to Calcutta to see the progress made at Mayurakshi, and I am to catch up with them in a few days and talk to the Mayurakshi people in Calcutta. . . .

Hume is doing a grand job of thorough investigation. He has a note-book which has become the most precious possession of the expedition — if he loses it we might as well not come back!

I am going to take the liberty of sending a copy of this letter to Ed Ritchie to save me the trouble of writing practically the same things to him, and perhaps you will be good enough to let him see Bernstein's remarks to the press.

Canada, my friend, is a damn good Country!

With kindest regards, John,

Yours sincerely,

NIK [CAVELL]

609. DEA/11038-1-40

Le haut-commissaire en Inde
au secrétaire d'État aux Affaires extérieures

High Commissioner in India
to Secretary of State for External Affairs

DESPATCH 481 New Delhi, May 4, 1953

RESTRICTED

COLOMBO PLAN: CANADIAN CAPITAL AID TO INDIA, 1952-54:
VISIT OF MR. CAVELL AND MR. WRIGHT

I propose in this and my immediately following despatch to report on Mr. Cavell and Mr. Wright's two visits to New Delhi between March 20 and April 17. The present despatch is intended primarily to comprise, in general terms, an assessment of our capital aid programme to India in the light of the discussions which Mr. Cavell and Mr. Wright have had with Indian officials and representatives of the United Kingdom, United States, Australia, the United Nations and the Specialized Agencies. In my immediately following despatch I shall summarize, insofar as is possible at this stage, the present prospects of lining up a firm Canadian programme of capital assistance to absorb that portion of the 1952-53 and 1953-54 Colombo Plan appropriations which might be allocated to India.

2. During their two visits Mr. Cavell and Mr. Wright sought, above all, to impart some sort of new momentum to our Colombo aid effort in India. As you are well aware, and as, I am certain, the Indian authorities were equally aware, the initial momentum had slackened considerably, and there was, in fact, a danger that at one point or another we might be faced with a situation where the Indians declared themselves unable to propose further development projects which could be financed with our aid. This situation is by no means hypothetical for there have been hints to that effect in several quarters here. It may well be that the Indians hope, by alluding at sufficiently frequent intervals to their probable inability to accept further aid from us, to induce a shift of emphasis in our aid programme from capital equipment to commodity assistance. On the other hand, it cannot, of course, be denied that the conditions which have circumscribed our aid in the past have caused genuine difficulties to those in charge of implementing the public sector development projects envisaged in the Five-Year Plan. What was required, therefore, was a frank exchange of views and a mutual appreciation of the difficulties experienced on both sides. It was with this objective in mind that Mr. Cavell and Mr. Wright embarked upon their series of discussions with officials of the Ministry of Finance and the Planning Commission.

3. The resulting discussions were, I think, eminently successful. While we, on our part, continued to apply some pressure upon the Indians to come forward with suitable projects, the officials of the Ministry of Finance did not spare any effort in helping us to draw up a tentative programme of capital projects to be financed from the funds available to India under our Colombo Plan vote. I am reasonably confi-

dent that we succeeded in dispelling whatever doubts continued to linger in their minds in regard to the motives underlying Canadian aid in India. On their part, the Indians put forward what I believe can be regarded as cogent reasons for the difficulties they had been experiencing and would continue to experience in accepting our aid in the form in which it was being offered. Once the atmosphere had been cleared in this way, the discussions were focused more directly on concrete projects which might qualify for Canadian capital assistance during the remaining period of the Five-Year Plan.

4. We explained at the outset that the Canadian Government, in contributing aid to the Indian economic development programme, would expect the initiative for proposing suitable projects to rest with the Indian Government. Any project put forward should be one that has been included in the Five-Year Plan as a priority project directly related to basic economic development and designed, wherever possible, to stimulate further development. Needless to say, a project in order to qualify for Canadian aid should be of such a nature as to carry the support of public opinion in both Canada and India.

5. The officials of the Ministry of Finance, with whom most of the relevant discussions were held, said that they had no quarrel with these basic considerations which they shared. On their part, they pointed out that the Five Year Plan represented the basic instrument of the Government of India's economic policy and that, although it is limited in scope, the Government was certain that it could be achieved. In its simplest terms the Five-Year Plan was intended to restore pre-war living standards and to provide momentum for subsequent development. Its emphasis lay primarily on agriculture and transportation. Responsibility for industrial development had, in its main phases, had to be assigned to the private sector for the time being.

6. Insofar as the "public sector" was concerned, the bulk of the outlay was internal. (The public sector is that part of the Five-Year Plan which is financed by the Government.) Only about 20% of the total expenditure envisaged in the Five-Year Plan could be regarded as external expenditure and of this a substantial portion had already been incurred. Consequently the gap of between Rs.200 and 300 crores which existed in the public sector and which the Government of India was hoping might be filled by foreign aid was probably more in the nature of a gap in internal resources than a foreign exchange gap.

7. It appeared to us that, even on the assumption that the Indian argument was economically valid, there should be no undue difficulty in finding enough projects to absorb $13,000,000 (Canadian) annually over the next three years if, in fact, the total foreign expenditure component anticipated under the Five-Year Plan was of the order of Rs.400 crores or roughly $840,000,000. In order to press our point, which the Indians were prepared to accept in principle, we suggested that it might be useful to go over with them the Planning Commission's volume entitled: "Development Schemes in the First Five Year Plan" to see what projects involving substantial external expenditure might be suitable for Canadian participation.

8. Our analysis of the Planning Commission's volume disclosed, I think, some of the more obvious reasons for the difficulties we have had in inducing the Indians to

propose projects for our consideration. Many of the public sector projects were started before the Five-Year Plan came into operation; these projects have now either been completed or are nearing completion. For many projects, the entire external expenditure has been incurred; alternatively, orders for the required foreign equipment have ben placed. For a few projects, the external expenditure component involved was so slight that the Indians thought, and we agreed, that Canadian participation in these projects would lead to a fragmentation of our capital aid programme. Moreover, since the Five-Year Plan was initially drawn up, facilities have been established in India for the manufacture of a good deal of equipment which was previously imported from foreign sources of supply. This applies, for example, to pump sets of which adequate supplies are available locally and which, accordingly, the Government of India is not prepared to import under a foreign aid programme.

9. It became clear to us, therefore, that the field for Canadian participation in development projects by the provision of equipment manufactured in Canada was, in fact, more limited than we had been inclined to think. Apart from the real and practical difficulties which I have outlined in the preceding paragraph, the Indians have, of course, frequently referred to the generally high prices of Canadian equipment compared with world prices which, of course, reduce the real value to India of Canadian aid. The higher Canadian prices would also tend to push up the budgets for the projects involved unless agreement could be reached, as would now appear to be likely, that the counterpart funds to be generated in these particular cases would be based on world prices, not on the cost to Canada of the equipment.

10. While, in the light of the favourable foodgrain prospects for the current year, the Indian authorities did not renew their pressure for assistance in the form of wheat, at least during 1953-54, they did make a case for commodity assistance in general to fill in the gaps in our capital aid programme. They argued that the advantage of this form of assistance was that it generated immediate counterpart funds which could be applied to cover local expenditures in connection with a project already in receipt of Canadian capital assistance, or local expenditures in connection with other projects which Canada might decide to assist. Mr. Cavell and Mr. Wright thought that some measure of commodity assistance, provided it were conjoined with a substantial capital equipment programme, might be feasible and agreed to submit a proposal along these lines to the Canadian authorities on their return to Ottawa. At the same time, of course, it was understood on both sides that commodity assistance, if agreed to in principle, should interfere as little as possible with normal trade channels. We also pointed out that the Canadian authorities would have to consider carefully the possible political and economic results of the Canadian Government taking action which would result in displacing normal suppliers to the Indian market in third countries, more especially those in the Sterling Area or the European Payments Union.

11. Another suggestion which the Indians put forward to meet the difficulties they were experiencing in finding enough projects to absorb our aid was that the Canadian Government might consider using Colombo Plan funds to defray freight and insurance charges. To the extent that India was still largely dependent on foreign shipping and insurance facilities, foreign exchange would, in any case, be re-

quired to cover these charges. Mr. Cavell and Mr. Wright reiterated the Canadian position on this question and suggested that, inasmuch as there was probably enough Sterling shipping available, the Indian Government was unlikely to be hard pressed to find the necessary exchange. (Mr. Cavell learned from his discussions with United Kingdom and United States representatives in New Delhi that India was, in fact, currently accumulating Sterling and that, consequently, the RS.290 crores ($638 million) of releases from her Sterling balances on which India had counted in the financing of its Five-Year Plan might well represent no more than a paper claim on Sterling production.) It was agreed that the proposed Exchange of Notes on this question would be deferred until Mr. Cavell had had an opportunity of discussing it further with the appropriate authorities in Ottawa.

ESCOTT REID

610. DEA/11038-40

L'administrateur du Plan de Colombo au chef de la Direction économique

Administrator of Colombo Plan to Head, Economic Division

PERSONAL Karachi, May 8, 1953

My dear Ed [Ritchie],

I have been very remiss in not writing to you much earlier, but this has been a real hard trip and Hume [Wright] and I have had hardly any time to ourselves. I think we have had one Sunday off since we started.

The great difficulty has been to keep our negotiations on a practical basis. The situation I unearthed in Ceylon was deplorable but we finally left that country with something that looks like maturing into a program. The situation in India is extremely difficult. I will not go into details, but my private opinion is that they are being largely led astray by grandiose schemes put up to them by various so-called UN and other experts, and the idea of implementing these schemes is, at least to some extent, what lies behind their request for free dollars. However, after a real hard battle, we left India with what looks like a practical program of projects, and at least I think we will have enough to enable us to spend our money. We found ourselves in some conflict, at first at least, with the views of the Mission in Delhi, and a difficult situation developed there on account of the practical approach Hume and I tried to maintain. However, more about that when I see you.

Here in Pakistan they are in a sad mess. For many reasons, which we are slowly thrashing out, a very bad food shortage has developed. I have discussed this with the Finance Minister, and yesterday Ken Kirkwood and I had a private luncheon with the Prime Minister, at which we discussed it further. They are going to ask, through the Pak[istan] High Commissioner in Ottawa, for more wheat, but have been given no indication or encouragement whatsoever by me that such a request is likely to be successful. Meanwhile the five million dollars worth they are getting,

which is shortly arriving, will help them quite a bit. The three-man American Investigating Committee is due to arrive today or tomorrow.

In spite, however, of their preoccupation with wheat, Hume and I have seen numerous projects and thoroughly investigated them. We are now working against time to get the request for these sanctioned and I feel reasonably sure that we shall leave here next Wednesday, the night of the 13th, with projects which will take up our allotment for Pakistan, but in view of their present over-all situation it has not been easy to keep the discussions down to really practical solutions. What they badly need is an over-all economic board which will take some of the load off the Finance Minister, who is one of the very few who really knows what the score is. Unfortunately he had a bad heart attack recently, and should not be doing anything like the amount of work which now piles on him. There is some suggestion, which I have encouraged as much as I could, that the Ford Foundation take over the financing and the finding of a board of World Economic Experts to come in here and really get to grips with the over-all situation and make some suggestions. If we are asked for a Canadian or two to serve on such a board, I think we should give it very sympathetic consideration. I believe this country can be pulled around by care and the enforcement of a really well thought out economic policy. But the trouble is that the few real efficient officials and Ministers are harassed to death and have no time to sit back and discover facts and work out policies, with the result that one gets the impression that all we are doing is punching pillows.

I believe some alarming reports have been circulated that I am ill, etc., etc. Nothing could be further from the truth. Actually in a very hard and exacting trip I have only had two upsets. One was food poisoning in Madras State from which I recuperated for a few days in Delhi, and the other was really the result of an accident on the Khyber Pass when an Afghan truck struck our car, damaged one side of it badly, and almost tipped us off the road down the mountain side. This broke my asthma pump and spilled all my supply of liquid, with the result that I was defenceless and asthma caught up with me. However, I had a spare pump here and some more liquid, and now all is well again. However, I am looking forward to being back and both Hume and I are very, very tired.

Now in conclusion, just a word about the Consultative Committee. So far as I can gather, nothing very serious is likely to come up, and I would much prefer not to turn around again and come out once more. I am going to have an enormous amount of work to implement a new program for this year, to get it into shape and put it up to you all, and also my own shop will need some strengthening and reorganization, and in view of what we are doing and what we still have to do, it seems to me this is more important work than returning to Delhi for the Consultative Committee Meeting, which would practically wash out the rest of the year, and if some one else can be found to take over I should be very glad.

When I wrote to John Deutsch I sent you a copy of the letter. Now I will turn it around and send John a copy of this one. It will be a great pleasure to see you all again and to be back in Canada. Please remember me to your wife and all my friends around the East Block. Incidentally, we are leaving here on Wednesday for Rome, where we have some consolidation work to do with the FAO people there.

There now seems no doubt that we shall catch our boat out of Southampton on May 28th.

Kindest personal regards

Yours sincerely,

NIK [CAVELL]

P.S. for John Deutsch.

Dear John,

It was one of my very few brainwaves to ask you for Hume [Wright]. He has been invaluable in ferreting out all kinds of information, and I think as a result, we are going to be able to put forward a report which will be of some real assistance. At least I hope so.

Yours sincerely,

NIK [CAVELL]

SECTION B

RÉUNION DU COMITÉ CONSULTATIF
NEW DELHI, 28 SEPTEMBRE-18 OCTOBRE 1953
MEETING OF CONSULTATIVE COMMITTEE
NEW DELHI, SEPTEMBER 28-OCTOBER 18, 1953

611. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

CONFIDENTIAL [Ottawa], September 8, 1953

COLOMBO PLAN — FOURTH CANADIAN CONTRIBUTION

In each of the years 1951/52 and 1952/53, Parliament appropriated $25 million for expenditure to assist the economic development of the countries of South and South-East Asia through the Colombo Plan. For the current year, Parliament appropriated a further $25.4 million for a Fund for economic and technical assistance to Colombo Plan countries. The Colombo Plan is scheduled to run for six years from mid-1951 to mid-1957.

Of funds carried over from 1952/53 and those appropriated in the current year for economic assistance, Cabinet has already approved a programme of aid for Ceylon and the extension of the existing serial resources survey for Pakistan. In addition, last May Cabinet approved the temporary financing from Colombo Plan funds of a $5 million gift of wheat for Pakistan "on the understanding that the Government would recommend to Parliament at the next session that the amount be made up by funds then to be appropriated for the purpose". A memorandum pro-

posing a programme for India is before Cabinet. A memorandum on additional Canadian participation in the previously approved hydro-electric project at Warsak in Pakistan is also before Cabinet, and it is expected that other projects for assistance to Pakistan will be recommended for approval when various technical reports from Canadian consulting engineers have been received and considered. Most, if not all, of the funds presently available for economic assistance to Colombo Plan countries will probably be committed before the end of the fiscal year.

I am satisfied that the need to assist in the economic development of the countries of South and South-East Asia is as urgent as ever. A good start has been made, but much remains to be done. There is evidence that the countries of the Area are playing their full part, within the limit of the resources they consider can be made available for development. The other contributing countries of the Colombo Plan are continuing their assistance.

The United Kingdom is making its contribution mainly in the form of releases from the accumulated sterling balances of the countries of the Area plus grants to its colonial territories, to an estimated total of £253 million for the six-year period. Australia is contributing the equivalent of about $75 million over the six years, and New Zealand has so far pledged £1 million for each of the first three years of the program. The United States is making a substantial financial contribution, and from mid-1950 to mid-1953 had made available approximately $500 million for the different Colombo Plan countries of South and South-East Asia, by way of grants and loans, including the $190 million loan to India for wheat. United States foreign aid appropriations for the current fiscal year ending June 31st,[sic]1954 include about $160 million for economic and technical assistance to Colombo Plan countries in the Area and the Philippines. Account should also be taken of the recent gift of up to 1,000,000 tons of wheat to Pakistan and of the $62 million Export/Import Bank loan to Indonesia.

The annual meeting of the Consultative Committee of the Colombo Plan is to take place in New Delhi from September 28th. The position of the Canadian delegation to this meeting would be considerably strengthened if it were in a position to announce that the Government of Canada intends to continue its contribution to the development of the countries of the Area in the coming fiscal year. In this connection, it will be recalled that on February 12th, 1951, the Cabinet agreed that the Canadian delegate at the Consultative Committee be authorized to state that the Canadian Government was willing to provide $25 million for the Colombo Plan in the fiscal year 1951/52, and that, following on decisions taken by Cabinet on February 5th, 1952, the press release issued by the Prime Minister's Office on February 20th announcing the composition of the Canadian delegation to the 1952 meeting of the Consultative Committee included the information that the Government had decided to recommend to Parliament a contribution for 1952/53 of $25 million for economic assistance and $400 million for technical co-operation under the Colombo Plan.

Recommendation:

It is recommended that authority be granted for the Canadian delegation to the Consultative Committee Meeting to state that the Government of Canada proposes

to ask Parliament for a further appropriation of funds for economic and technical assistance under the Colombo Plan in 1954/55 in an amount comparable with funds appropriated in previous years, on the understanding that projects suitable for Canadian assistance will be forthcoming from the countries of the Area. The Minister of Finance has been consulted and would have no objection if it was felt desirable to make this further commitment.[13]

L.B. PEARSON

612. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

CONFIDENTIAL [Ottawa], September 29, 1953

. . .

THE COMMONWEALTH

11. *Colombo Plan*

. . .

(c) *Meeting of Consultative Committee* — With the approval of Cabinet, the Canadian Delegation to the meeting of the Consultative Committee of the Colombo Plan, to be held in New Delhi in October will be as follows:

Chairman:

Mr. James Sinclair, Minister of Fisheries

Alternate:

Mr. Escott Reid

Advisors:

Mr. J.J. Deutsch, Department of Finance
A.E. Ritchie, Department of External Affairs.

The delegation will also include one officer from each of our Missions in Karachi, Colombo, and New Delhi. Mr. A.E. Ritchie will lead the official delegation to the preliminary meeting of officials opening on September 28.

The Canadian Delegation to the Consultative Committee has been authorized to invite the Committee to hold its 1954 meetings in Canada, if it is felt that such an invitation would be welcomed by the participating countries, and would contribute to the continued success of the Colombo Plan. The Delegation has also been authorized to state that the Canadian Government proposes to ask Parliament for a further appropriation of funds for economic and technical assistance under the Colombo Plan for 1954-1955 in an amount comparable to that appropriated in previous years. This action would be taken on the understanding that projects suitable for Canadian assistance would be forthcoming from the countries in the area.

[13] Voir le document 622./See Document 622.

613. DEA/11038-40

La délégation auprès du Comité consultatif du Plan de Colombo au secrétaire d'État aux Affaires extérieures

Delegation to the Colombo Plan Consultative Committee to Secretary of State for External Affairs

LETTER NO. 1074 New Delhi, October 18, 1953

CONFIDENTIAL

MEETINGS OF OFFICIALS BETWEEN SEPTEMBER 28 AND OCTOBER 8

Enclosed is a confidential memorandum on the meetings of officials held in New Delhi between September 28 and October 8. A separate analysis of the conference at the Ministerial level will be prepared. Mr. Thurrott is reporting on the Council for Technical Co-operation proceedings (October 9 and 10).†

2. For your information we also enclose the following documents which will, of course, be superseded by the final report to be made available in the near future:

(1) No. C.C.I.(53)-4 — Review of Officials' Meetings†

(2) No. C.C.I.(53)-5 — Draft report as finalized by the officials.†

A.E. RITCHIE
for the Delegation to the
Consultative Committee

[PIÈCE JOINTE/ENCLOSURE]

Extrait d'une note de la délégation auprès du Comité consultatif du Plan de Colombo

Extract from Memorandum by Delegation to the Colombo Plan Consultative Committee

CONFIDENTIAL [New Delhi], October 17, 1953

COLOMBO PLAN CONSULTATIVE COMMITTEE MEETINGS OF OFFICIALS, NEW DELHI — SEPTEMBER 28 TO OCTOBER 8

The variety and extent of Canadian capital assistance to India, Pakistan and Ceylon, and the support which our country has given to the Council for Technical Co-operation, made the active participation of the Canadian Delegation at the conference of officials an obvious necessity. Mr. Ritchie was appointed Chairman of the Drafting Committee, Mr. Thurrott was named to the Publicity Committee, Mr. Goldschlag was a member of the Working Group on the Indian Country Chapter and Mr. Hadwen[14] was Secretary to the Delegation. This report will be concerned

[14] Klaus Goldschlag, deuxième secrétaire, haut-commissariat en Inde; J.G. Hadwen, deuxième secrétaire, haut-commissariat au Pakistan.
Klaus Goldschlag, Second Secretary, High Commission in India; J.G. Hadwen, Second Secretary, High Commission in Pakistan.

with the conclusions reached by the officials' meetings and more significantly with some of the influences producing these decisions, leaving detailed examination of the individual Country Chapters to the missions concerned.

The meetings began in an atmosphere of complete unanimity and general goodwill. The unanimity did not last much beyond the opening day but the general friendliness of the conference atmosphere throughout its proceedings was striking. In his opening-day statement, the United Kingdom delegate referred to the meetings as those of "a jolly good club" while the US representative described the gathering as that of "an international community of like-minded people." The discussions which followed were frank and realistic. One of the interesting features of the statements by delegates from the receiving countries was their self-criticism (many of these comments were, however, removed from the draft report presented to the Ministers). This tendency was particularly noticeable in the cases of Ceylon, Indonesia and Pakistan. Even the Indian Delegation was prepared to admit that important modifications in their country's economic plans must be made in the light of recent developments in the balance of payments position. This willingness to be objective can be explained partly as the desire of governments to justify in an international forum policies which are unpopular in a domestic political context.

In spite of the fact that the Colombo Plan technical assistance programme has been operating for three years and the capital assistance programme for two, it is clear from the information made available at New Delhi that only a modest beginning has been made under the auspices of the Colombo Plan in contributing to the solution of the economic difficulties of South and South-East Asia. Most of the projects being assisted by Colombo Plan aid are, of course, long-term development schemes frequently requiring many years for their completion. What is more, it is at present very difficult to assess the value of programmes in the technical education and social welfare fields and it may never be possible to reach any definite conclusions concerning their effectiveness. The slowness with which obvious results are being achieved was, however, a cause of concern, particularly to the Australian and New Zealand Delegations. The New Zealand delegate stated that the general public in his country would be interested in some explanation of why the economic aid programmes had been so slow in developing. He was prepared to admit that some of this feeling in New Zealand was due to a lack of understanding of the long-range objectives of the Plan and the means available for its implementation, but pressed his point vigorously. The New Zealand draft paragraph on this point was unacceptable to the meeting because it was considered impossible to reach general conclusions in the causes for delay, especially as this would involve discussions of the forms in which aid was offered and required — a point in which no agreement was possible. (The Canadian Delegation was told of considerable political opposition to the Colombo Plan in New Zealand. Furthermore, both the New Zealand and Australian programmes have run into major difficulties and disappointments.)

There is little in the report prepared by the officials on the more embarrassing reasons for delays in implementing the development programmes. It was however, generally accepted that the main limitations on the economic progress of South and

South-East Asia are produced by lack of experienced administrators, both in the governmental and in the private sectors, capable of executing expanding development programmes. The Indian Delegation also referred to the problems which their country faced in carrying out large scale projects in the Indian states, emphasizing the constitutional limits to the authority of the centre. In some of the other countries of the Colombo Plan area internal disorders have produced similar difficulties, i.e. in Viet-Nam, Malaya, Burma and Indonesia. The burden of defence expenditure in India and Pakistan was another matter which delegates were naturally reluctant to mention. These were some of the issues which the officials' report skirted rather than precipitate what could have been an acrimonious and politically embarrassing discussion.

An encouraging feature of the discussions was the recognition that technical and capital assistance must be increasingly combined both for agricultural and for industrial projects. The Canadian Delegation emphasized on a number of occasions the value to the Colombo Plan countries of co-operation with the United Nations' specialized agencies and with the International Bank for Reconstruction and Development. The statement of its representative showed that the International Bank is making an increasingly important contribution to the economic welfare of this region. This is being done not only through the loans which the Bank is able to make, and which have recently been diversified with the release of French and United Kingdom funds, but also through the important technical assistance contribution which the Bank missions make in surveying the economy of individual countries as a preliminary to loan negotiations. ECAFE also came in for favourable comment and its role in supporting research on problems common throughout the area was emphasized. It was generally recognized that only through ECAFE is there at present any effective method of making the experience of individual countries in South and South-East Asia available to others in the same area.

Almost all the Country Chapters emphasized the problems created by the fall in raw material prices after the cessation of Korean War stock piling. However, this development has not had a uniform effect throughout the area. The economic consequences have been much more serious in Pakistan and Ceylon than in Burma or in the United Kingdom Territories. The Indian economy, by reason of its more diversified nature, has not suffered the same proportionate shocks on this account as have the economies of other South and South-East Asian countries. The over-all conclusion of the Country Chapters, however, is that, largely because of the collapse of the raw materials market, assistance in increasing amounts is required under the Colombo Plan during 1953-54 and probably in succeeding years. Changes in the export trade pattern of the Asian countries have produced major internal economic problems. Therefore, the Colombo Plan countries of South and South-East Asia now require foreign aid, for internal as well as external financial commitments necessary to carry out and expand their development programmes.

The major issue of the official conference, which is not considered at length in the conclusions, concerned the difficulty of matching the aid which individual countries could offer with the aid which receiving countries wished to obtain. It became clear as this discussion proceeded that not all the donor countries are able to modify the terms on which their aid is available as desired. The relationship

might be compared to that of a boy with four uncles. One uncle was prepared to give his nephew a $10 bill to be spent wherever and on whatever the boy thought fit. This was naturally the most popular uncle. Another uncle was prepared to give the boy whatever he did not have, e.g. an electric train if a bicycle were available from other sources. The third uncle was in the chocolate manufacturing business and, having some of his products to spare, was prepared to give them to his nephew but could not make other gifts available. The fourth uncle was one who had been wealthy in the past but had now fallen on evil days and could only allow his nephew to withdraw a certain amount from an educational fund previously established. Transposed into economic terms, this uncle-nephew relationship was a matter of spirited discussion in some form or other in almost every meeting of the officials. The most direct contribution to the debate was made by the Indian Delegation. . . .

In general, the Canadian programme emerged well from this discussion. When the occasion arose, the Canadian Delegation pointed out that the goods and services provided by Canada originate as a general rule in our own country. This encouraged support for the Colombo Plan amongst the general public. On occasion, however, funds have been spent outside Canada. It was also emphasized that Canada can make available a considerable range of the goods and services required and that under present conditions the foreign exchange requirements of the Colombo Plan countries for development purposes were well in excess of the aid likely to be available. Accordingly, the Canadian delegates did not think that the terms on which Canadian aid was offered had so far operated to prevent it from being used. On the suggestion that the prices of the goods offered by some countries were exceptionally high, the Canadian Delegation reminded the meeting that our economy is of an open competitive nature and that the size of the Canadian contributions takes account of the domestic price level. What is more, Canadian equipment is manufactured either to US or to UK specifications which should make it familiar to engineers in the Colombo Plan area. Problems of delay in providing spare parts did not generally arise in connection with the type of major development equipment which Canada was able to supply and could be dealt with as easily from Canada as from elsewhere. When the Indian Delegation suggested that the provision of plants and equipment for development projects might not be of great assistance in carrying out the Five Year Plan because orders for most of this machinery had already been placed, the Canadian Delegation was able to point out that Canadian aid had been made available in a variety of forms, e.g. wheat and industrial raw materials for India, and flour for Ceylon, in addition to equipment and services. In the final analysis the subject was bypassed on the grounds stated by the US Delegation that questions of this kind are matters of bilateral negotiation and that general principles applicable to all donor and receiving countries could not be, and should not be, laid down by a body such as the Consultative Committee.

Indonesia

The Indonesian Delegation on several occasions made statements which indicated that their country still had doubts concerning the political advisability of accepting foreign economic aid. In his opening remarks, the Indonesian delegate em-

phasized that the principle underlying economic aid must be "respect for each other's independence." The Indonesian Delegation also circulated a memorandum on counterpart funds which contained references to the "resentment which we should like to avoid at all costs, arising from the administration of counterpart funds." Unresolved difficulties over the use of US counterpart funds formed the basis for this particular document. In another context the Indonesian Delegation expressed the hope that references to the necessity of controlling the world prices of raw materials be included in the report. This suggestion was talked out on the familiar basis that the problem was of a global and not an area nature which must be settled on a commodity basis at other international gatherings rather than at the Colombo Plan Consultative Committee meetings.

Burma

The Burmese Delegation in their original draft claimed that "there have not been external sources of finance such as grants or loans" whereas, in fact, TCA had made substantial funds available to that country. This contradiction was avoided only with great difficulty as the Burmese Delegation seemed to be under instructions to assert their economic independence. The Burmese Delegation at one point also suggested that "economic aid should be in accordance with the national aspirations of the people." One of its members advised us that their attitude regarding foreign economic assistance had been to some extent determined by their experience with TCA and that the decision to ask TCA to withdraw from Burma was, in turn, based on the problem of the KMT troops on the Chinese-Burma border. However, the Burmese Delegation hoped that any difficult problems would be "smoothly squared out" before the conference concluded and did not appear to be antagonistic to foreign economic aid on general principles. The Burmese Country Chapter indicated that Burma did not need external capital assistance at present but would welcome technical aid in any form.

Viet-Nam, Laos, Cambodia

The participation of the delegations from Viet-Nam, Laos and Cambodia was made difficult because most of their representatives did not speak English and the translation facilities were most inadequate. For this reason these three delegations came to regard the Canadian Delegation as their interpreter and guide and on numerous occasions emphasized the value which they attached to Canadian offers of technical assistance. It is understood that further requests for technical assistance, for teaching equipment and "for public works and fish canning equipment" will be made by these countries to Canada. It is interesting to speculate on the extent to which Canada's bilingual composition will make our contribution to the economic progress of South and South-East Asia more valuable and extensive. The difficulties which this tendency might create between the French and the Canadian Governments should be further explored since the three states concerned appear to regard the Colombo Plan as a means of escaping from complete economic dependence on France. The Associated States are still undecided as to the channel through which they will apply to Canada for this assistance. They may approach us through their mission in Washington or perhaps more likely through the Bureau at

Colombo. Needless to say the Canadian Delegation neither encouraged nor discouraged the tentative approaches of these small bewildered delegations.

United Kingdom Territories

The position of the representatives from the United Kingdom territories at the meetings was also of considerable interest. Apparently United Kingdom offers of technical assistance to the Bureau of Technical Co-operation at Colombo are circulated to these territories for information only. As a consequence the UK territories are keenly interested in the possibility of sending trainees to Canada. (Malaya's interest has, of course, been stimulated by the recent successful negotiations with Canada through the Bureau for Technical Co-operation.) However, on the capital assistance side, it is unlikely that Canada will ever be involved in these areas. In the first place, Borneo, Sarawak and Singapore do not now require any capital assistance, at least according to the Country Chapters they submitted. Malaya is a different case but even here there would not appear to be any grounds for Canadian participation in development projects. For example, in the Malayan Country Chapter it is stated that, particularly as a result of the emergency conditions in the country, "further financial help will be necessary" but, the report goes on, "the United Kingdom has undertaken to give help of this nature and there are no grounds for thinking that the rate of development in any of the territories will not be maintained for lack of funds."

India-Pakistan Relations

There were no serious points of difference between the Indian and Pakistan Delegations. The Indian Delegation in their drafts tended to deprecate the use of deficit financing as a means of carrying out development programmes while the Pakistan Delegation[15] emphasized that the import of industrial raw materials under the Colombo Plan distorted existing trade and distribution channels and affected import duty revenue, but did not press the point in the face of Indian support for the principle of raw material aid.

The Pakistan and Indian Delegations joined, however, in welcoming statements which would be useful in meeting the arguments of those in their countries who felt that less expenditure should be made on capital development schemes and more on social welfare measures. At the early meetings of the Colombo Plan, the delegations tended to avoid implying any approval of private capital enterprise. At this meeting the officials seemed willing to include references to the need for encouraging private capital investment, both foreign and domestic.

US

US aid to South and South-East Asia, its delegation emphasized, is on a "missing component" basis but this "missing component" need not necessarily be in the form of goods originating in the United States because contracts are let only after

[15] Le document porte l'annotation dactylographiée suivante:
The following was typed on this copy of the document:
insisted that in many cases deficit financing was both necessary and desirable. The Pakistan Delegation

calling for world-wide tenders. In US eyes, the generation of local finance is not considered as an end in itself and the US authorities follow the principle that they should give assistance in meeting that part of the economic development expenditure on particular projects for which the country concerned could not find sufficient foreign exchange. The US Delegation also noted the limitations on the size of US aid, indicating that the public debt structure was a factor which must be taken into account. (The US Delegation was responsible for inflicting "concretize" and "comingle" on a long suffering meeting.) While the US representatives played a prominent role in the conference proceedings, they appeared frequently to be on the defensive and reacted sometimes unnecessarily to any even implied criticism of US aid programmes. In private, the US Delegation suggested that in their view the main purpose of the Consultative Committee meeting was to stimulate publicity and that while the exchange of views at the meetings was helpful, no significant modifications of US economic aid policy would result.

UK

The UK delegation played a less active role in these meetings than on previous occasions when the Colombo Plan has been discussed. Its participation was to some extent inhibited by the United Kingdom's inability to make capital assistance grants to the area. One point which the UK Delegation emphasized, however, was that the United Kingdom was now in a position to produce capital goods for export more easily and more quickly than in the past. Attention was also drawn to the creation of the Commonwealth Development Finance Company which is designed to assist the countries of South and South-East Asia in finding sources of short-term capital loans. The UK Delegation made as much as possible of the release of £60 million to the World Bank for loans to development projects in the Commonwealth. These loans are offered on the condition that they make a substantial contribution to the balance of payments' position of the sterling bloc and that local currency funds are being provided by the receiving countries for similar projects. The UK Delegation also made a statement to the effect that UK capital aid could now be made available to countries other than those of the Commonwealth in the Colombo Plan area on terms equal to those which apply to the Bank loans. This announcement fell rather flat and was specifically welcomed only by the Associated States a day later in a totally inappropriate context.

Nepal

Mention should be made briefly of the unusual problem presented by the participation of Nepal. The Nepalese Delegation attended these meetings with two purposes in mind. The first was to record their appreciation of aid already received from India. The second, by implication, was to obtain possible economic assistance from some other source than India so that their country might not be completely dependent on its closest neighbour. The Nepalese Delegation seemed to have the possibility of Canadian aid very much in their minds but were not of course given any encouragement by the Canadian Delegation.

Observers

There were two problems concerning observers at the Consultative Committee meetings which were informally discussed by delegations but never directly considered by either the officials or the Ministers. The first concerned Japan. During the officials' meetings it was learned that the Indian Delegation had been informally approached concerning observer status for Japan. The reaction to this proposal amongst the delegates took three forms. Some of the Asian delegations, Indonesian in particular, were concerned that if Japan were admitted this would create a precedent which might make the admission of other countries likely. The possibility that France and the Netherlands might subsequently be considered for membership apparently influenced the Asian members. Both the Australian and New Zealand Delegations appeared to be very much opposed to the idea of Japan's membership and indicated that they might formally oppose the motion if it were put to the meeting. The third general reaction was that of the United Kingdom (and also generally speaking of Canada) that if the Asian countries wished Japan to become a member the request could not be refused.[16] In general, however, it was considered undesirable for the officials to take notice of the problem at that late date and the matter was held over and, in the final analysis, never raised at all.

Early in the meeting of the officials, the Canadian Delegation did some informal sounding to discover the reaction to the possibility of admitting a representative of the United Nations Technical Assistance Board. In general, most delegates took a most reserved position, indicating first of all that the subject was being raised far too late and, secondly, that there did not appear to be the same urgency for observer status for UNTAB now that a liaison officer had been attached to the Council for Technical Co-operation at Colombo. In spite of the fact that Sir Alexander MacFarquhar, the UNTAB representative, was in New Delhi throughout the meetings and brought considerable pressure to bear for his admission as an observer the question was never discussed by the officials or even subsequently by the Ministers.

Information Unit

One major recommendation of the meeting of officials concerned the establishment of an information unit to be attached to the Bureau at Colombo. A draft paper for submission to the Ministers was prepared, largely under the guidance of the United Kingdom Delegation which took a very active part in the consideration of this item once it had been raised by the Indian authorities. The draft envisages the establishment of an information section under the Director of the Bureau. The Canadian Delegation stated, during the discussion, that it would not object to the decision reached by the majority but drew attention to some of the difficulties which might arise in carrying out the idea as originally suggested and in co-ordinating the work of the new unit with the existing national and international information services. The United States Delegation was, in general, opposed to the proposal, al-

---

[16] Le document porte l'annotation dactylographiée suivante:

The following was typed on this copy of the document:

> It is interesting to note that although Japan is widely considered in this area to be a ward of the United States, the United States Delegation did not appear to have been instructed to support Japan's admission as an observer.

though prepared to accept whatever the majority agreed. In the opinion of the US Delegation, national programmes of information and publicity for aid to this area would be more effective than anything the proposed unit could produce because material could be tailored to realities of each country's domestic situation. As the US delegate said, segments of the US general public have only recently become aware of the economic problems of South and South-East Asia and might not appreciate information material prepared in this area. We understand that the US fear was that the Colombo Plan information programmes would conflict with the information programmes of the US aid agencies. In any case, the US delegate pointed out, his country (which is not a full member of the Council for Technical Co-operation) would go ahead with its own programme regardless of whether the proposed Colombo Plan organization was established.

Technical Assistance

The report of the Council for Technical Assistance was very briefly considered by the meeting of officials. It was thought that this report would be discussed in detail by the Council for Technical Co-operation which met following the officials' meetings and that very little could usefully be said. The new Director of the Bureau, Mr. Curtin remarked that four aspects of the report merited special attention. In the first place, there had been an all round increase in the activities of the Bureau, both in numbers of countries participating and in the number of trainee and expert cases completed. There had also been an increase in the amount of technical training equipment supplied by the donor countries. Thirdly, technical and capital assistance programmes were becoming more co-ordinated and, fourthly, there was a much better machinery now for co-operation with the United Nations' agencies.

Conclusions

One of the most encouraging features of the report is the increasing extent to which countries in the area are giving assistance to each other. The Contributions Chapter this year includes brief descriptions of aid offered by the countries of South and South-East Asia to one another. There are sections in this chapter for Ceylon, India, Malaya and Pakistan. The individual Country Chapters also contain repeated references to the increased efforts which the so-called receiving governments are continuing to make in improving domestic economic conditions independently of the foreign aid programmes. As the Colombo Plan develops, it is also becoming clear that its purely Commonwealth character is decreasing, as indeed was envisaged in the early days of the Plan. The important part now played by the United States in providing aid to the area, and the membership of an increasing number of non-Commonwealth members, has had a very natural effect. However, the sense of urgency and the unity of purpose which characterized earlier meetings was not in the least affected at the Delhi meeting of officials by the change in emphasis.

It is clear that Canada will be under pressure from the governments of the area to increase the amount of aid now being made available and to include more countries as beneficiaries. The pressure for increasing amounts of aid can be expected to come particularly from the countries already receiving capital assistance, e.g. India, Pakistan and Ceylon. One of the aims of the Indian Delegation at these meetings

was to prove that, in spite of a favourable balance of payments position, their country's domestic unemployment problem necessitates additional external assistance. In the cases of Pakistan and Ceylon, balance of payments difficulties may also be used as an argument for increased external financial assistance in addition to the claim by these two countries that they require help in meeting internal financial obligations. Indonesia, the Associated States, and perhaps Nepal, will probably request capital aid from Canada.

614. DEA/11038-40

La délégation auprès du Comité consultatif du Plan de Colombo au sous-secrétaire d'État aux Affaires extérieures

Delegation to the Colombo Plan Consultative Committee to Under-Secretary of State for External Affairs

LETTER NO. 842 New Delhi, November 27, 1953

CONFIDENTIAL

MINISTERIAL MEETINGS OF THE CONSULTATIVE COMMITTEE OF THE COLOMBO PLAN

Under cover of its letter of October 18, 1953, the delegation forwarded a report on the meetings of officials held in New Delhi between September 28 and October 8.

2. Unfortunately it was not possible to prepare a report on the Ministerial Meetings immediately after the conference concluded. The contents of the enclosed document were, however, discussed with almost all the members of the delegation and the draft itself was approved by Mr. Sinclair during his visit to East Bengal on November 20.

3. Two further reports will be submitted concerning the Consultative Committee meetings.† The first will be a commentary and analysis of the administrative arrangements for the meeting and the second will be a brief note on the composition and character of the delegations which attended.

JOHN HADWEN
Secretary to the Delegation

[PIÈCE JOINTE/ENCLOSURE]

Rapport des réunions ministérielles tenues à New Delhi du 13 au 18 octobre 1953

Report of Ministerial Meetings Held in New Delhi October 13-18, 1953

CONFIDENTIAL [New Delhi, n.d.]

The Ministerial meetings were opened by Mr. Nehru in a speech which had a considerable effect on the proceedings which followed it. He appealed for an imag-

inative approach to the problems of the undeveloped countries of South and South-East Asia, suggesting that both donor and receiving countries should approach any difficulties in a flexible attitude. Mr. Nehru emphasized the emotional under-currents which made increased economic development an immediate necessity. The countries of South-East Asia had only recently obtained their political freedom after many years of domination from Europe and were now endeavouring to accomplish in a few short years the strides in industrial and social development which the Western countries had taken over many years.

2. He drew attention to the necessity of applying economic aid in a practical manner suggesting that to a starving man the next meal is the important matter, not some bigger and graver problems. Mr. Nehru also referred to the necessity for the countries of South and South-East Asia to work towards self-reliance and self-discipline in preparing for economic improvements.

3. Of particular interest was Mr. Nehru's repudiation of direct population control measures. He said "talk that our main ill is this tremendous population and that we cannot economically survive or improve our lot unless we put a stop to the growth of population is not justified." (*Indian Express* October 14)

4. Another significant statement made by Mr. Nehru was that so far as India was concerned, the emphasis on social justice resulted in a tendency towards public ownership in a mixed economy. However, he said, "we are approaching this problem practically and not dogmatically always taking into account that we have to go ahead and we have to render social justice." Mr. Nehru's speech made a very deep impression on the delegates who were incidentally particularly grateful for the fact that he arrived 25 minutes early and spent the time chatting with the foreign representatives.

5. Mr. Casey replied to Mr. Nehru, suggesting that the meetings about to begin could be described as those of the Executive Committee of the Colombo Plan. He also felt that it would be well to remember that the external aid provided to the countries of South and South-East Asia was marginal to the resources which the countries themselves must devote to the task. Mr. Casey remarked on the value of the exchange of views at meetings such as these and concluded by reviving the use of the word "Australasia." Australia, he said, "is close to and has an inevitable and close association with the continent of Asia in which you live."

6. Mr. Mohammed Ali (Finance Minister) who also replied to Mr. Nehru, emphasized the necessity of speed in carrying out economic development projects. He referred to the urgency created by the recent attainment of political freedom by the countries of this area, but felt that economically there were equally good reasons for haste. "Unless the national income in the various countries of Asia could be raised rapidly, there was a danger that any perceptible rise in the standard of living would be swallowed up by the growth of population." Mr. Mohammed Ali also considered that new ways of thought and action and of co-operation amongst themselves must be stimulated by the peoples of South and South-East Asia, and concluded by emphasizing that only through international co-operation could the aims of the Colombo Plan be achieved.

7. The first working session was held that same day and Shri Chintaman Deshmukh, the Indian Minister of Finance was elected Chairman. His election was followed by prepared speeches by each of the delegation leaders. Attached as Annex I is Mr. Sinclair's statement on this occasion.

8. Most of the Ministerial statements were general and formal. It was interesting to note, however, that Mr. Waugh, the Assistant Secretary of State for Economic Affairs in the United States Government, was the only one to refer to communist aggression in Asia, and the necessity of strengthening "the physical, moral and organizational power of the Free World everywhere."

9. At the next meeting on October 14, the leaders of the delegations made general observations on the reports which had been prepared by officials. It is not necessary to consider each of the countries' contributions, and the observations which follow are restricted to those which were more significant.

10. Mr. Mohammed Ali stressed the effects of the fall in raw material prices on the economies of the countries in the area, and suggested that the Colombo Plan was entering on a crucial stage. Many commitments were now being made for long-term development projects from which the countries concerned could not withdraw. He suggested that economic aid should be offered for longer periods than at present and in the form most readily acceptable to the receiving countries. This statement was greeted with surprise that it should be made by a finance minister and a number of delegations pointed out that under a Parliamentary system monies voted for the Colombo Plan were appropriated in yearly amounts and that it was not possible to make long-term commitments. Mr. Sinclair's contribution to this debate is attached as Annex II.†

11. Mr. Casey proposed that the meeting consider ways in which the fluctuations of raw material prices could be ironed out. He thought that the Colombo Plan Consultative Committee should make recommendations in this connection. His suggestion was opposed by most delegations on the grounds that the Colombo Plan was not a suitable body for the task which must in any case be conducted on a commodity and world-wide basis not possible at Colombo Plan meetings.

12. When the meeting settled down to the consideration of the report paragraph by paragraph some changes were made in the opening chapters and in the concluding chapter. One of the amendments which Canada took a part in arranging resulted in additional emphasis being given to the desirability of attracting private investment to new industries in the recipient countries. A sub-committee consisting of representatives from the United States, Canadian, United Kingdom, Indian and Pakistan delegations together with the IBRD and ECAFE observers, redrafted two paragraphs on this point, which were finally accepted by the general body.

13. One general difference in approach between the officials' meeting and the Ministerial meeting emerged on the problem of reconciling the conflicting claims of expenditure on social welfare and expenditure on capital projects. At the officials' meeting there had been a tendency to insert provisions which would justify the inability of governments in the area to make large-scale expenditure on social uplift schemes when development resources are limited. At the Ministerial meeting, as perhaps one might have expected, there was a greater emphasis on the need for

social welfare expenditure (particularly from the Indonesian and the Indian delegations). There were other evidences of difference between the outlook of delegations at the officials' and at the Ministerial meetings. For example the United Kingdom delegation which had been very active in the preparation of the report came out at the Ministerial meetings with criticism of the report's form, largely, we understand, at the instance of Sir Leslie Rowan.

14. The debate on the Country Chapters which was not productive, was featured by a most entertaining speech by the leader of the Burmese delegation in which he concluded by saying: "If therefore my colleagues are now satisfied with the Report as it stands, as I hope they are, I will ask them to congratulate — not me or my delegation — but themselves."

15. Mr. Waugh, the United States delegate, made a noteworthy contribution at one point when he stated that the new Administration was anxious first of all to put its own house in order, balance its budget and make sure of the economic stability of the United States as a basic contribution to world economic stability before embarking on any large scale plans for more foreign aid than was now being offered by the USA.

16. There was some difference in the views which some delegations took of the purpose of the Consultative Committee meetings. Mr. Casey, for example, seemed to feel, as did some of the representatives from the undeveloped countries, that the Consultative Committee could reach important decisions which could affect economic aid programmes throughout the area. Other countries, particularly the United States, seemed to consider that the meeting provided at most an opportunity for exchange of views and that the bilateral nature of the economic aid programme should be emphasized.

17. The Ministers adopted without much comment the proposal to establish an Information Unit at Colombo, and briefly and inconclusively considered the technical assistance programme, agreeing that the report of the Council for Technical Cooperation "could not be altered by the Consultative Committee except when the Council desires to do so."

18. At the conclusion of the meetings the invitation extended on behalf of the Government of Canada to hold the next meeting of the Consultative Committee in Ottawa was accepted.

19. It was generally considered by most delegates that the Ministerial meetings had accomplished the purposes for which they had been called. It was however recognized that these purposes are fairly limited in scope and that the principal value of the meetings, as Mr. Casey had remarked on the opening day, is the exchange of information and views between individuals and delegations.

ANNEXE I
ANNEX I

Rapport de la deuxième réunion du Comité consultatif du Plan de Colombo

Report of Second Meeting of Colombo Plan Consultative Committee

CONFIDENTIAL [New Delhi, October 14, 1953]

MR. JAMES SINCLAIR'S SPEECH

Mr. James Sinclair referring to the interesting remarks made by Mr. Mohammed Ali, stated that while it was undoubtedly desirable for long range planning to know the total amount of money which will be available, it was not possible for any country with a Parliamentary system of Government to make available funds for more than one year. In his remarks he mentioned that the procedure of annual allotments had led to waste in few cases, as the amount had to be spent within the year. The Canadian Parliament had, therefore, approved of the proposal to carry-forward the unspent balances out of the annual allotment earmarked for Colombo Plan projects. He considered that the idea of setting up a co-ordinating committee was a good one, but such a committee could not give any directions and could help only in eliminating overlappings. Referring to the question of procurement mentioned in Mr. Mohammed Ali's statement, Mr. James Sinclair stated that it was the natural desire on the part of the country providing assistance to supply goods of its own manufacture. Continuing, he stated that in Canada it is considered that in the projects, which Canada is helping, goods manufactured in Canada should be used. He, however, mentioned that it was realized that the primary test should be the extent to which the goods would help economic development. It was fully realized that for some goods Canada might be a high price area. Therefore their approach to this problem had not been rigid. He cited examples of certain components being supplied from another country when the basic part of the equipment was supplied from Canada. He agreed with the remarks of Mr. Mohammed Ali, regarding the frustration created when technical assistance was provided in excess of the amount which could be absorbed usefully.

SECTION C

CEYLAN
CEYLON

615. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

CONFIDENTIAL [Ottawa], July 6, 1953

. . .

ECONOMIC MATTERS

11. *Colombo Plan — Programme for Ceylon*

Economic Division: During the past week, discussions have taken place between representatives of the Departments concerned and Mr. R. Coomaraswamy, a senior Ceylon Government official on various new projects which the Ceylon Government is proposing for Canadian capital assistance. As a result of these discussions, the Ceylon request has been reduced from about $3.5 million to approximately $2.6 million through the elimination of certain projects, including the provision of a flour mill and the scaling down of certain others. The revised programme being submitted by Ceylon is made up as follows:—

	Canadian Dollars (approx.)
Further fisheries development	450,000.
Rural road construction	450,000.
Provision of Polytechnic Institute	500,000.
2 diesel locomotives	425,000.
Airport lighting	250,000.
Pumping sets and well-boring machines (scaled down from 250 to 25 sets)	185,000.
15 agricultural machinery maintenance workshops	225,000.
Pest control (adjusted to pilot programme by reducing from 40 to 20 units)	180,000.
	2,665,000.

Of the above request, expenditure of $1,785[,000] is being favourably recommended for consideration by Ministers. The projects making up the recommended programme are:— rural road construction, provision of a Polytechnic Institute, 2 diesel locomotives, pumping sets and the 15 agricultural maintenance workshops. In addition to the above, it has been recommended that Cabinet approve in principle the extension of aid to Ceylon for further fisheries development and for pest control in an amount to be determined later when further investigation about the feasibility and desirability of these 2 projects has been undertaken.

The proposal to provide a lighting system for Ceylon's main international airport is not being favourably recommended. Assistance for rural road construction and the building and equipment of a Polytechnic Institute is required in the form of

local funds and it is proposed that Canada should supply commodities which, when sold in Ceylon, would generate the necessary amount of counterpart (rupee) funds. In this connection, the Ceylon authorities have asked that Canada supply flour and this request is being put to Ministers for their consideration.

If Ministers are prepared to consider favourably the programme as recommended the amount involved would not be out of line with the amount of assistance offered last year and would permit of [sic] reasonable programme for India and Pakistan from the balance of Colombo Plan funds available. The Ceylon authorities have emphasized the urgency of their need for Canadian assistance in the light of the serious deterioration which has taken place in their internal and external financial position.

. . .

616. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], July 6, 1953

. . .

COLOMBO PLAN; ASSISTANCE FOR CEYLON

23. *The Minister of National Defence, as Acting Secretary of State for External Affairs*, submitted a recommendation for the extension of assistance to Ceylon under the Colombo Plan.

An explanatory memorandum had been circulated.

(Acting Minister's memorandum, July 3, 1953 — Cab. Doc. 153-53) †

24. *The Cabinet* approved the recommendation of the Acting Secretary of State for External Affairs concerning assistance to be provided to Ceylon for capital development out of the funds appropriated by Parliament at the last session and agreed:

(a) that authorization be given for the expenditure from the fund of $1,785,000 in connection with rural road construction, building and equipment of a polytechnic institute and the provision of diesel locomotives, pumping sets, a well-boring machine and agricultural maintenance workshops as recommended; and,

(b) that approval in principle be given to the extension of assistance for further fisheries development and for pest control, subject to approval of specific proposals when further investigation about the feasibility and desirability of the projects had been undertaken.

. . .

617. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], August 13, 1953

. . .

COLOMBO PLAN; 1952-53 PROGRAMME FOR CEYLON

3. *The Secretary of State for External Affairs*, referring to discussion at the meeting of July 6th, 1952, said a report had now been received from Mr. H.R. Soublière of the Canadian Hosier Engineering Company, who had been sent to Ceylon to inspect, on behalf of the Canadian government, the rural electrification project for the Gal Oya area. Mr. Soublière had recommended the project insofar as the southern portion of the area was concerned.

An explanatory memorandum was circulated.

(Minister's memorandum, Aug. 11, 1953 — Cab. Doc. 165-53)†

4. *The Cabinet* noted the report by the Secretary of State for External Affairs on the 1952-53 Colombo Plan programme for Ceylon and, —

(a) approved provision of transmission lines, sub-stations and related equipment in the southern part of the Gal Oya development area in Ceylon, together with the supervisory services of a Canadian engineering firm, up to a maximum cost of $600,000; and,

(b) agreed that the government of Ceylon be informed that, at a later stage, when the need for power in the northern part of the Gal Oya area had been established, consideration would be given to the supply of additional electrical transmission equipment for this area.

. . .

618. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], December 10, 1953

. . .

COLOMBO PLAN; PROGRAMME FOR CEYLON, GAL OYA PROJECT

11. *The Minister of National Health and Welfare, as Acting Secretary of State for External Affairs*, said approval had been given, in August of this year, for the provision of transmission lines, sub-stations and related equipment for the southern part of the Gal Oya development area, together with the supervisory services of a Canadian engineering firm, up to a maximum of $600,000. It had also been agreed that the government of Ceylon would be informed that consideration would be given to

the supply of additional transmission equipment for the project at a later stage, when the need for power in the northern part of the area had been established.

Subsequently, Canadian authorities had been informed that the government of Ceylon had unexpectedly received delivery of transmission equipment which had been ordered in the United Kingdom some time before an approach had been made to the Canadian government under the Colombo Plan. The long delay had led the Ceylon government to believe that no equipment would be delivered from the UK and it had felt justified in seeking aid from Canada. When the equipment actually arrived, Ceylon authorities saw no alternative but to make effective use of it as originally intended in the first part of the Gal Oya transmission scheme. Since this was part of the project originally approved for Canadian aid, the Ceylon government now sought Canadian assistance in the erection of the northern sections of the scheme.

The new request had been examined by the Canadian inspection engineer. Approximately 20 miles of additional lines, a regulator and small sub-station would be required to carry out the new proposal. Agreement had been reached at the official level in Canada and at the governmental level in Ceylon to use Canadian assistance to carry out the project. There was no suggestion that lines be carried to provide lighting for settlers, which was the principal objection to the earlier request for lines to supply power. The new proposal would cost approximately $760,000, an increase of about $160,000 over the amount already sanctioned. It would, however, remain within the Canadian allotment of $2 million to Ceylon under the Colombo Plan.

It was recommended that the new project be approved.

An explanatory memorandum had been circulated.

(Memorandum, Secretary of State for External Affairs, Dec. 9, 1953 — Cab. Doc. 326-53)†

12. *The Cabinet* agreed that authority be given to provide transmission lines, substations and related equipment, together with the supervisory services of a Canadian engineering firm up to a maximum cost of $760,000, for assistance, under the Colombo Plan, in the Gal Oya project, Ceylon, in lieu of that part of the project which had already been approved.

. . .

SECTION D

INDE
INDIA

619. DEA/11038-1-40

Le cabinet du haut-commissaire en Inde au sous-secrétaire d'État aux Affaires extérieures

Office of High Commissioner in India to Under-Secretary of State for External Affairs

LETTER NO. 221 New Delhi, February 26, 1953

CONFIDENTIAL

BOMBAY STATE TRANSPORT

Reference: Our letter No. 85 of January 22, 1953.†

You will recall that in my letter under reference I informed you that we would shortly be sending forward our views on the lessons which might be learned from our experience with the Bombay State Transport Corporation and which might be applied in any future examination of projects qualifying for our aid under the Colombo Plan.

2. We have now received from Mr. Rankin, who was closely associated with the protracted and tedious negotiations with the Corporation, the attached memorandum dated February 10. I think you will agree that Mr. Rankin[17] has done a very able job. We concur with his recommendations. All are important but it seems to us that Nos. 1 and 12 are perhaps the most important: No. 1 because, if it is followed it will mean that the mere fact that we do not deal with local state organizations will keep us free of the political and administrative entanglements which such relations involve; No. 12 because it seems to us that it is extremely important that we should be able to assure the Canadian tax-payer that the equipment which is bought with his dollars is being adequately protected.

3. We are sending a copy of Mr. Rankin's report to Mr. Cavell in Colombo.

GRAHAM MCINNES[18]

---

[17] B.I. Rankin, secrétaire (Commerce), haut-commissariat en Inde (Bombay).
B.I. Rankin, Commercial Secretary, High Commission in India (Bombay).

[18] G.C. McInnes, premier secrétaire, haut-commissariat en Inde.
G.C. McInnes, First Secretary, High Commission in India.

[PIÈCE JOINTE/ENCLOSURE]

Note du secrétaire commercial à Bombay
pour le haut-commissariat en Inde

Memorandum from Commercial Secretary in Bombay
to Office of High Commissioner in India

CONFIDENTIAL [Bombay], February 10, 1953

COLOMBO PLAN

It was agreed during my visit to New Delhi that it would be useful at this juncture to record our experiences in connection with the application of Colombo Plan assistance to projects in India as a useful guide in any further negotiations.

My association with Colombo Plan has been primarily with the Bombay State Road Transport Corporation. I have reviewed my file covering the numerous complications that have arisen in the last 18 months and as a result have the following comments to make:

1. When State Government agencies are recipients of Colombo Plan assistance from Canada, arrangements with the Government of India should be made at the outset, designating clearly the State Officials responsible for the discussion of details. As our dealings are with the Government of India, the appropriate line of communication can break down and confusion arise when State Government officials come into the picture.

Example: P.V.R. Rao, Finance Secretary, Government of Bombay and Major General G.D. Young, General Manager, Bombay State Road Transport Corporation, made arrangements to proceed to Canada to finalize the aid for the Bombay State Road Transport Corporation without first being accredited by the Government of India to act on its behalf. Similarly, discussions took place with these and other State Government officials of which the Central Government had not been apprised simultaneously. Note also the present proposed visit to Canada of Mr. Bhaunik of the Electricity Division of the Government of West Bengal in connection with hydro-electric equipment for Mayurakshi.

2. We should avoid granting assistance by provision of equipment from Canada where an indigenous industry exists or facilities are even partially available locally.

Example: Negotiations were well advanced with the Bombay State Road Transport Corporation before we realized that Premier Automobiles, Bombay, intended resisting the provision of vehicles from Canada, other than from their principals, to the extent of exerting influential political pressure. The announcement of the Indian Tariff Commission inquiry into the automotive industry of this country at about the same time was also an unfortunate coincidence.

3. We should avoid a project because of highly regarded personnel in the management whose association may be suddenly terminated.

Example: The existence of Major-General G.D. Young, General Manager, and Commander Arthur van Rhee, Director and Manager of the Central Workshop and Assembly Depot, had considerable influence on our recommendation of the Bom-

bay State Road Transport Corporation as a project worthy of Colombo Plan assistance. At the same time as the arrival of the vehicles from Canada, General Young and Commander van Rhee received notice of the termination of their contracts.

4. We should avoid projects where our aid may be used upon receipt in ways other than originally intended.

Example: It was considered that the principles of the Colombo Plan were being met in the case of the Bombay State Road Transport Corporation in providing vehicles that would improve the inadequate transport facilities existing in this State. Since the arrival of the first shipment of vehicles, however, the new Chairman of the Bombay State Road Transport Corporation, in order to avoid the threatened strike of private operators, has now decided to use the trucks primarily on Government of Bombay haulage jobs within the city of Bombay.[19]

5. We should avoid the provision of assistance to projects which will not be complete projects as a result of such aid — risks exist when the balance, on which the merits of the project as a whole may depend, may be abandoned or delayed for one reason or another.

Example: The 835 trucks now being delivered to the Bombay State Road Transport Corporation would only nationalize about 15% of the State freight road transport. The new Chairman of the Corporation has abandoned or postponed the nationalization of freight traffic as he now considers it unlikely that additional vehicles will be forthcoming in the foreseeable future.

6. We should avoid projects which are partially nationalized and where policy indicates the whole will become nationalized to the cost or detriment of private industry.

Example: When the Bombay State Road Transport Corporation was first formed and took over the passenger services in the State, private bus operators were compensated. It was assumed that similar procedure would be followed in the case of nationalization of freight transport, but it has now been announced that freight transport nationalization, when it takes place will be done without compensation to private operators. The Private Operators' Association have already made reference to Canada's part in depriving them of their livelihood.

7. We should attempt to avoid projects where exactly similar projects exist in other States.

Example: Several other states in the Indian Union with nationalized transport corporations have questioned why Bombay State has received aid in preference to themselves.

8. We should avoid projects where lack of proper maintenance of Canadian equipment may reflect on Canadian industry to the detriment of our private trade potential.

Example: The new Chairman of the Bombay State Transport Corporation has scrapped the maintenance schedule of the transport fleet which the former General

---

[19] Note marginale:/Marginal note:
this is news!

Manager has taken two years to build up. The quick deterioration of Canadian vehicles now entering the fleet which may result from inadequate maintenance programmes will not be a very good advertisement for the Canadian automotive industry, to say nothing of the wastage of our aid.

9. We should avoid, or qualify preliminary discussions with a single Canadian supplier when other Canadian suppliers of the same equipment also exist and where eventually tenders are likely to be called.

Example: From the outset, the Ford Motor Co. of India negotiated with the Bombay State Road Transport Corporation long before the project was approved, to the point where it was assumed that Ford would be the suppliers. Eventually, it became necessary to call tenders from the three largest Canadian automotive concerns and, although Ford were the successful tenderers, there might have been some difficulties with the Company if the results of the tenders had been different.

10. We should avoid projects where doubt exists that Canadian equipment will be utilized within a reasonable time after delivery.

Example: Recently, the new Chairman of the Bombay State Road Transport Corporation had in mind withholding acceptance of the Canadian vehicles for some months until the nationalization issue had been solved. I think it is highly desirable that aid should not be stored, both because of the uneconomic features of such equipment not being put to use and because of the rapid deterioration of equipment in this part of the world when left unattended.

11. We should avoid projects which in part rely on other equipment not available in Canada or clarify in advance if offshore purchases will or will not be considered.

Example: The Bombay State Road Transport Corporation insisted on diesel engines for the Canadian vehicles and such engines are not produced in Canada. Many weeks' delay resulted on the insistence of the Bombay State Road Transport Corporation for diesel engines before it was decided to use Canadian funds to purchase Perkins diesels from the United Kingdom.

12. We should insist on detailed contracts covering all aspects of our assistance, including the following:

(i) a schedule of deliveries acceptable both to the Canadian manufacturer and the Indian recipients,

(ii) a clause covering the utilization of such equipment in accordance with the principles of the Colombo Plan, including assurance that there will be no delay in putting the equipment to use after it has been received,

(iii) the contract should state specifically the equipment being provided and which Government is responsible for ancillary equipment,

(iv) the contract should clearly specify the Government responsible for freight, assembly charges, customs duties, packing, clearance etc,

(v) a clause should be included providing for guarantees by the responsible government that the equipment will be properly maintained and serviced,

(vi) a draft copy of the contract should be submitted to the High Commissioner for suggestions based on local knowledge of peculiar conditions which may exist.

Example: The terms of the contract for the provision of vehicles to the Bombay State Road Transport Corporation are not known but all of the above points have arisen in one form or another long after the project was approved.

13. It is also suggested that the Government of India should be persuaded to give a list of suggested projects early in each fiscal year, in order that we can investigate and report detailed background information which will simplify the selection of the appropriate project or projects on which our funds should be spent.

14. A greater flow of information from Ottawa and speedier replies would be of assistance to all of us in India. During our first year of Colombo Plan, our activities have been on a purely ad hoc basis. A speedy and efficient system of co-ordination and co-operation between the two departments involved in Ottawa and the two offices in India through the proper channels of communication would seem to be indicated.

BRUCE I. RANKIN

620. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], March 26, 1953

. . .

COLOMBO PLAN; PROJECTS FOR INDIA AND PAKISTAN

21. *The Minister of National Defence, as Acting Secretary of State for External Affairs*, recommended that authorization be given for expenditures on three projects for assistance to India and Pakistan under the Colombo Plan.

An explanatory memorandum had been circulated.

(Acting Minister's memorandum, March 24, 1953 — Cab. Doc. 84-53)†

22. *The Cabinet* approved the recommendation of the Acting Secretary of State for External Affairs, concurred in by the Minister of Trade and Commerce, and agreed:

(a) that authorization be given for the expenditure of $2.2 million for the provision of 40 locomotive boilers to India under the Colombo Plan; the Indian government to establish a counterpart fund of a size that would be appropriate in the light of arrangements for financing the Indian railways, and other relevant considerations;

(b) that the hydro-electric project at Warsak, Pakistan, be approved in principle as a suitable project for Canadian Colombo Plan aid, and $3.4 million be allocated out of the 1952-53 vote for provision of electrical equipment for it; the Pakistan government to be informed that additional allotments would be made in subsequent years, within the limits of amounts available to Pakistan out of funds appropriated by Parliament for the Colombo Plan; possible arrangements for a counterpart fund to be made, dependent on considerations as outlined; and,

(c) that authorization be given for the expenditure of Colombo Plan funds, up to $170,000, to provide Beaver aircraft and related equipment to Pakistan to be used in the locust control programme.

621. DEA/11038-1-1A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour la Direction économique

Memorandum from Under-Secretary of State for External Affairs to Economic Division

[Ottawa], June 18, 1953

COLOMBO PLAN ASSISTANCE TO INDIA

Mr. Saksena, the High Commissioner for India, called on me yesterday to take up a number of matters. When he had disposed of these he introduced the topic of the Colombo Plan and said he wanted to have a frank talk with me on this subject. He said he felt that our attitude was a too restrictive one. He felt that we should permit more freely the use of Colombo Plan funds for the purchase of wheat to be shipped to India. Their experience had been that the prices of industrial equipment available in Canada for Indian requirements were often double the prices at which similar equipment could be obtained from European sources of supply. When the equipment was supplied to the local undertakings and they were charged up by the Indian Government with the cost price, they complained that this upset the whole basis of their calculations. As a result very often the government of India was forced to subsidize by agreeing to charge the local undertaking with the cost at which they could have acquired the equipment in some European country.

This means that the extent to which India can benefit from the Colombo Plan is limited so long as the assistance must take the form of Canadian capital equipment. On the other hand, if wheat is supplied to India under the Colombo Plan this saves the government of India exchange, which they can use for the purchase of industrial equipment in Europe. The counterpart funds created by the sale of the wheat in India can be used for approved projects so that the whole economic development of India is furthered much more than would be the case if Canadian industrial equipment was supplied at a cost greater than that at which the industrial equipment can be obtained in Europe.

I explained to Mr. Saksena our reluctance to supply without return any of the basic products, the export of which supports the whole Canadian economy. I explained to him the danger of creating a precedent and told him that, if we once commenced supplying wheat to India freely under the Colombo Plan, it would be difficult to resist requests for the supply of wheat free to other countries. Once this was done we would also not be able to resist similar demands from other sections of Canada which were experiencing difficulties in the disposal of their surplus products abroad.

Mr. Saksena was not convinced by the arguments I put forward since he thought that the Colombo Plan could be made a special case without creating any precedent leading to claims from other countries or from the domestic producers of other products.

I told Mr. Saksena that I would report his views but I was not too hopeful of any relaxation in our present policy, except in the case of dire necessity when good reasons could be advanced for the supply of wheat to India under the Colombo Plan.

L.D. W[ILGRESS]

622. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], September 9, 1953

. . .

COLOMBO PLAN; PROGRAMMES FOR INDIA AND PAKISTAN; CONSULTATIVE COMMITTEE MEETINGS; FOURTH CANADIAN CONTRIBUTION

52. *The Secretary of State for External Affairs*, submitted proposals related to the programmes of India and Pakistan under the Colombo Plan, meetings of the Consultative Committee and the fourth Canadian contribution to the plan.

Explanatory notes had been circulated.

(Minister's memoranda, Sept. 4 and 8, 1953 — Cab. Docs. 190,† 191,† 192† and 195-53)

53. *The Cabinet* agreed, in connection with the Colombo Plan:

(a) that the Umtru Hydro-Electric project in India, be approved in principle at an estimated cost of $1.2 million for generating and distribution equipment and $2.1 million in local cost, the latter to be met from counterpart funds generated through the sale of industrial raw materials; final approval to be deferred pending receipt of a report on a full technical investigation of the project by Canadian consulting engineers;

(b) that from 60 to 65 steam locomotives be supplied to the Indian government, if required, within a total cost of $11 million, and that copper bars and aluminum wire rods be made available in an amount of $5 million; it being understood that proceeds of the sale of locomotives, copper bars and aluminum rods within India would be used to set up counterpart funds to be expended on approved projects under the Plan;

(c) that $3.5 million from Colombo Plan funds appropriated for 1953-54 be set aside for the Warsak Hydro-Electric project in northwestern Pakistan to cover the estimated cost of the provision of consulting engineering services and light construction equipment for the project; it being understood that, in principle and sub-

ject to future appropriation of required funds by Parliament, total Canadian participation in the Warsak project would be as follows:

(i) provision of electrical generating and related equipment at an estimated maximum cost of $14 million over the period of construction;

(ii) provision of Canadian consulting engineering services for the re-design and supervision of the construction of the project, at a maximum cost of $3 million;

(iii) provision of reasonable amounts of Canadian light construction equipment; and

(iv) the allocation of the rupee equivalent of the $10 million gift of wheat to Pakistan to help meet the local costs of the project.

(d) that the Canadian delegation to the meeting of the Consultative Committee, to be held in New Delhi during October, be headed by the Minister of Fisheries and include officials of the Departments of Finance and External Affairs, as recommended by the Secretary of State for External Affairs;

(e) that the Canadian delegation to the October meetings of the Consultative Committee be authorized to invite the Committee to hold its 1954 meetings in Canada, if it was felt that such an invitation would be welcomed by participating countries and would contribute to the continued success of the Colombo Plan; and

(f) that the Canadian delegation to the October meetings of the Consultative Committee be authorized to state that the Canadian government proposed to ask Parliament for a further appropriation of funds, for economic and technical assistance to the Colombo Plan in 1954-55, in an amount comparable to that appropriated in previous years, on the understanding that projects suitable for Canadian assistance would be forthcoming from the countries in the area.

. . .

623. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], November 19, 1953

. . .

COLOMBO PLAN; ADDITIONAL LOCOMOTIVE BOILERS FOR INDIA

30. *The Prime Minister* said that, on March 24th, 1953, the Cabinet agreed to supply 40 locomotive boilers to India at an estimated cost of $2.2 million. Subsequent negotiations with the Canadian supplier indicated that the boilers could be provided for $2,080,000. It had now been ascertained that the cost would only be $1,389,800. In the circumstances, the Indian government had requested 10 additional boilers. The total cost, including additional charges, would still be less than the $2,080,000 set aside for this project. It was recommended that the request be approved.

An explanatory memorandum was circulated.

(Memorandum, Secretary of State for External Affairs, Nov. 17, 1953 — Cab. Doc. 301-53)†

31. *The Cabinet* agreed that authority be given to provide 10 additional locomotive boilers to India under the provisions of the Colombo Plan; the cost to be financed from the amount of $2,080,000 already set aside for this project.

. . .

624. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], December 29, 1953

. . .

COLOMBO PLAN; STEAM LOCOMOTIVES FOR INDIA

12. *The Secretary of State for External Affairs*, referring to discussion at the meeting of September 9th, 1953, said the programme of assistance for India had included between 60 and 65 steam locomotives valued at about $11 million. Owing to cost of retooling, the unit price for these locomotives manufactured in Canada would be somewhat higher than elsewhere. The Indian authorities, on being so advised, had proposed that the order be increased to 120 locomotives, which could be supplied at an estimated unit cost of $168,745, or about $5,000 less than with the smaller order. If this request were approved, the additional cost of the larger number would be met from funds to be made available for Colombo Plan purposes in the next fiscal year. The provision of steam locomotives for India would make a significant contribution to the Indian transport system and would provide rupee counterpart funds which would be useful on other agreed development projects.

An explanatory memorandum was circulated.

(Minister's memorandum, Dec. 28, 1953 — Cab. Doc. 348-53)†

13. *The Cabinet* agreed,

(a) that 120 WP-type steam locomotives, with five per cent spare boilers be provided to India as Canadian aid under the Colombo Plan, at an estimated cost of $21 million; and,

(b) that the cost of this assistance, over and above the $11 million already approved by Cabinet, be financed from funds for Colombo Plan purposes which parliament was being asked to approve for 1954-55.

. . .

SECTION E

PAKISTAN

SUBDIVISION I/SUB-SECTION I

PROJETS/PROJECTS

625. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], March 12, 1953

COLOMBO PLAN; CEMENT PLANT FOR PAKISTAN

1. *The Prime Minister* reported that the Acting Secretary of State for External Affairs had submitted a recommendation that allocation of an additional $500,000 be authorized for the contribution of Canada toward construction of a cement plant in Pakistan under the Colombo Plan. Estimated costs of equipment and services supplied by Canada would exceed the original $5 million.

An explanatory memorandum had been circulated.

(Acting Minister's memorandum, March 10, 1953 — Cab. Doc. 72-53)†

2. *The Cabinet* approved the recommendation of the Acting Secretary of State for External Affairs and agreed that allocation be made of $500,000 from the 1952-53 Colombo Plan vote, in addition to the $5 million previously authorized, for the construction of a cement plant in Pakistan.[20]

. . .

626. DEA/11038-2-40

Le haut-commissaire au Pakistan
au sous-secrétaire d'État aux Affaires extérieures

High Commissioner in Pakistan
to Under-Secretary of State for External Affairs

LETTER NO. 358 Karachi, May 29, 1953

COLOMBO PLAN: CANADA'S ASSISTANCE TO PAKISTAN 1951-52

The occasion of the visit of Messrs Cavell and Wright has prompted us to prepare a short review of the progress in implementing the Canadian capital assistance to Pakistan under the Colombo Plan in 1951-52.

---

[20] Le document 620./Document 620.

2. The programme for 1951-52, as you will recall, was made up as follows:

Cement Plant (Thal)	$5.0 million
Railway Sleepers	2.8
Thal Livestock Development Research Farm	.2
Aerial Photographic Survey	2.0
	$10.0 million

Cement Plant

3. I am pleased to report that plans for implementing the Canadian decision to provide a cement plant for the Thal have made substantial progress in recent weeks. Messrs Englander, Isbister and Temple of COPL arrived as scheduled on May 5, and after consultations with ourselves and the Pakistan Industrial Development Corporation in Karachi, left for Daudkhel. They have lately returned to Karachi and report reasonably satisfactory progress in preparing the way for the erection of the plant itself. There will be some difficulties over the question of accommodation at the site of the cement plant, but I am confident that these can be ironed out in consultation with the Pakistan Industrial Development Corporation which has so far proved to be an exceedingly cooperative and efficient organization.

Railway Sleepers

4. We have never been sure when to expect the railway sleepers. We understand from your recent letters that the sleepers will be shipped from Canada this summer. Any further details you can provide, particularly concerning the first shipment, would be very much appreciated as we hope to arrange suitable publicity when they are unloaded at Karachi.

Thal Farm

5. The Thal farm project (see my letter No. 303 of May 9th†), after a very delayed and shaky start finally seems to be making substantial progress. As you know Mr. Neil A. MacFarlane and his wife are already in Lahore and we hope to hear from him in the near future giving details of the arrangements being made for the reception of the Canadian agricultural machinery. We were very much impressed by Mr. MacFarlane, and his wife, as were the officials of FAO and the Ministry of Economic Affairs to whom he was introduced. We feel that he will make a very definite contribution not only to the development of the Thal Livestock Development and Research Farm, but also to the agricultural machinery problems of the Thal as a whole. As perhaps you also know, Mr. Nick O'Nians, a Canadian Massey Harris tractor salesman and his wife have been living either in Lahore or Quidabad for over a year, and we feel that a young couple like the MacFarlanes should be able to make a success of their stay in the Punjab.

Photographic Survey

6. Undoubtedly the photographic survey has been the most successful element in Canada's capital assistance programme for Pakistan up to the present time. Mr. Henderson and his group have made a very favourable impression in Quetta and in Karachi and the work which they have been able to do up to the present is winning friends not only for their company but for the Canadian Colombo Plan as a whole. On April 25th Messrs Cavell, Wright and Hadwen were flown to Quetta by the Photographic Survey Corporation in company with Mr. W.H. Godfrey. They had

an opportunity of looking over the workshop which the company has set up in Quetta, and were impressed by the efficiency and despatch with which the operations are being conducted.

7. 80% of the preliminary flying and photography on the project has been done and 65% of the photography has been verified including the flying of any necessary gaps in the preliminary photography. It is expected that all the flying on the present contract will be finished by October at the latest, although the chief pilot believes that if the weather is kind most of the flying would be done by the end of July. Mr. Henderson is already making preliminary arrangements for the arrival of the geologists who will begin the ground survey once the mapping has been completed in Toronto.

8. One obvious general comment on the 1951-52 programme is that it appears to take nearly two years before the results of capital projects we have undertaken begin to show. This is a fact which it would be well to bear in mind in committing expenditures for large scale, long term projects, especially as the end of the Colombo Plan period approaches.

K.P. KIRKWOOD

627. DEA/11038-2-40

Le haut-commissaire au Pakistan
au sous-secrétaire d'État aux Affaires extérieures

High Commissioner in Pakistan
to Under-Secretary of State for External Affairs

LETTER NO. 359 Karachi, May 29, 1953

COLOMBO PLAN: CANADA'S CAPITAL ASSISTANCE TO PAKISTAN, 1952-53

The programme for 1952-53 was made up as follows:

Wheat	$5.0	million
Warsak Hydro Electric	3.4	
3 Beaver Aircraft	.17	
Cement Plant (Thal, to complete original allocation 1951-52)	.5	
	$9.07	million

2. A review of the 1952-53 capital assistance programme for Pakistan under the Colombo Plan can only be very tentative so early in 1953. As you will recall, the programme was not finally settled until just before the end of the fiscal year 1952-53.

Wheat

3. The most important element in this programme was the grant of $5. million of Canadian wheat which was confirmed in your telegram No. 32 of February 20, 1953. We have been informed by the Ministry of Food and Agriculture that the first shipments of this wheat should begin to arrive in Karachi very shortly. As soon as definite dates for the arrival of the ships are available we propose to make arrangements for publicizing the Canadian contribution to meet Pakistan's wheat crisis.

4. We have discussed on several occasions with the Pakistan authorities the question of how the counterpart funds arising from the sale of this wheat will be used. These counterpart funds will be used on development schemes as agreed by the Governments of Pakistan and Canada. On May 26 we received from Mr. M. Ayub, Joint Secretary in the Ministry of Finance, a letter advising us that a formal communication on the subject of the use of these counterpart funds would be sent to us in the near future through the Ministry of Economic Affairs. It is our understanding that a part of these counterpart funds may be used to meet the internal costs of the Warsak hydro-electric project.

Warsak

5. The decision of the Canadian Government to provide $3.4 million out of the 1952-53 vote for the Warsak project was greeted in Karachi and in the Frontier with much enthusiasm. When Mr. Cavell and Mr. Wright visited the Frontier they were accorded a very hearty welcome for this reason alone. During their visit to Peshawar from April 28 – May 1st Mr. Cavell, Mr. Wright, and Mr. Hadwen, after meetings with the NWFP[21] engineers, were driven up to the Warsak site where a further conference was held with the engineers directly in charge. I enclose some general information about the Warsak scheme which may be of interest to you in obtaining an over-all picture of the scheme.† At these meetings a number of problems emerged which we subsequently discussed with Mr. Nazir Ahmed, Secretary of the Central Ministry of Industries and others in Lahore and Karachi. For example, the Central Government in Karachi has not yet decided who will be responsible for administration and execution of the project. It is likely, however, that the Central Engineering Authority will assume over-all responsibility using the NWFP Engineering Department as its agent. The question of whether a Canadian firm of consulting engineers would be accepted to guide the project is not yet decided, although Mr. Cavell indicated that it might be possible to arrange these services under the technical assistance programme.

6. A second problem is that of obtaining sufficient internal finances to begin the project. As a matter of fact when we first discussed Canadian assistance for Warsak with the Central Engineering Authority we were asked to consider the internal costs as well. You will of course be familiar with the distribution between internal and external costs from the H.G. Acres report. We also discussed with the engineering authorities in the NWFP and in Karachi the possibility of working out a technical assistance programme for training Pakistanis in the various aspects of the Warsak development. Perhaps most important of all we were given a list of equipment which would be required from Canada according to present plans for the first year of the Warsak scheme. Unfortunately there was at the time only one copy of this list available, and it was given informally to Mr. Cavell in anticipation of a firm request from the Ministry of Economic Affairs (not yet received). More detailed information on the requirements of the project during the first year are available in the Acres report and no doubt the Acres engineers in conjunction with the Pakistan engineers will have little difficulty in finalizing a suitable list of equipment. To

[21] North West Frontier Plan

some extent this list will depend on who receives the contract for the construction work because there would be little point in bringing out construction equipment from Canada if it were available in Pakistan. The sooner a Canadian engineer comes to Pakistan to work out these details with the Pakistan authorities the better.[22]

7. Another feature of the Warsak project is the fact that in providing the original funds to begin work at the dam site the Canadian Government has undertaken the responsibility of considering further or continuing assistance for Warsak by giving Colombo Plan aid in succeeding years. It is almost certain that work on the project will not be completed by 1957 which is the date on which the Colombo Plan is at present slated to end. The decision to assist Warsak out of Colombo Plan in the coming years will undoubtedly limit our capacity to participate in other large scale projects, for example the Mianwali hydro-electric scheme.

Aircraft

8. I am afraid there is little comment to be made now on the decision to ship three Beaver aircraft for assistance to Pakistan in anti-locust operations. These aircraft, we understand, will be shipped in June. We will advise you of plans for their use as soon as these have been finalized by the Pakistan authorities.

Cement Plant

9. No comment is required on the additional $500,000 provided for the cement plant in the 1952-53 vote.

K.P. KIRKWOOD

628. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], August 5, 1953

. . .

COLOMBO PLAN; ASSISTANCE FOR PAKISTAN

8. *The Minister of National Defence*, as Acting Secretary of State for External Affairs, submitted recommendations concerning two projects for which assistance might be provided under Colombo Plan funds available for Pakistan.

An explanatory memorandum was circulated.

(Acting Minister's memorandum, Aug. 4, 1953 — Cab. Doc. 160-53)†

9. *The Cabinet* approved the recommendations of the Acting Secretary of State for External Affairs and agreed:

(a) that an aerial and resources survey be undertaken of 139,500 square miles of Pakistan, as specified by Pakistan authorities, at a maximum cost of $1 million, and

---

[22] Note marginale:/Marginal note:
Are we paying to send an engineer to WARSAK?

that a contract for the purpose be entered into with the Photographic Survey Corporation Limited of Toronto along the lines of the contract entered into in February, 1953; and,

(b) that a Canadian engineer familiar with the construction of thermal power plants be sent to Pakistan to draw up specifications for a thermal unit required for the Ganges-Kobadak irrigation scheme; the engineer to report on the feasibility of the scheme and also on hydro-electric power units which it had been suggested Canada supply for the Punjab Tubewell drainage and irrigation programme; no decision to be taken on provision of the thermal and hydro-electric power units at the present time.[23]

. . .

629. DEA/11038-2-40

Le haut-commissaire au Pakistan
au sous-secrétaire d'État aux Affaires extérieures

High Commissioner in Pakistan
to Under-Secretary of State for External Affairs

LETTER NO. 6 Karachi, December 29, 1953

CONFIDENTIAL

UNITED STATES ECONOMIC AID TO PAKISTAN

A United States economic aid agreement with Pakistan covering the next six months to July, 1954, for $22 million was signed yesterday in Karachi. As usual, and in contrast to the quiet manner in which approximately $10,400,000 of Canadian Colombo Plan funds is annually voted for aid to Pakistan, the signature of this United States agreement was given maximum press publicity here. This showmanship parallels that accompanying the gift of 700,000 tons of American wheat to Pakistan, after our 110,000 tons of Canadian wheat had been already shipped to Pakistan with little fanfare.

2. Although public fanfare is not a forte of Canada, as it is in the United States, I think that the Canadian authorities concerned might give consideration to the political and Commonwealth value of greater publicity and even more demonstrativeness in Canadian assistance to or co-operation with Pakistan. At this end, we have taken every opportunity within our limited means of staff and money, to get publicity for local Canadian undertakings; but we have no public relations officer and few facilities. There seems to be very little publicity of the American type organized in Canada itself. Shipments of Canadian Colombo Plan equipment have been arriving here without our being informed by Ottawa; and in some cases we learn of their arrival only through our contacts in the local Ministries or through the local Colombo Plan experts themselves.

---

[23] Voir le document 622./See Document 622.

3. I am aware of the Departmental views, which I fully share, that in our information work we should not expatiate on our Canadian superabundance, our patronage or even our charitable generosity. These may have a psychological reaction in this sensitive country. At the same time, Canada is so highly esteemed here, and Canadian gifts or assistance are so free from any motives other than sympathetic interest and fellow-feeling toward Pakistan as a member of the Commonwealth family, that any gesture of friendship, if reasonably presented, is appreciated; and suitable publicity need not be too subdued. "*Timeo Danaos ut donae ferentes*" has never applied to Canadian aid.

K.P. KIRKWOOD

SUBDIVISION II/SUB-SECTION II

BLÉ/WHEAT

630. DEA/11038-2-1A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], February 13, 1953

WHEAT FOR PAKISTAN

You will be aware of the reports which we have received recently from our own High Commissioner and from the United Kingdom High Commissioner in Pakistan concerning the serious food prospect which that country is again facing this year. I understand that Sir Zafrullah Khan has also brought this situation to the attention of the United States Government and that the United States authorities also take a very serious view of the prospect.

2. I am attaching a copy of a telegram which arrived yesterday from our High Commissioner in Karachi reporting an urgent request from the Pakistan authorities that Canada should provide the balance of the tentative allocation of Colombo Plan funds to Pakistan† (approximately $9,000,000) in the form of wheat. I am also attaching an informal record of a conversation which Mr. Ritchie of the Economic Division had yesterday afternoon with the Pakistan High Commissioner.† We shall no doubt be receiving formal representations to the same effect from the Pakistan High Commissioner here during the course of the day.

3. You will recall that Cabinet decided on September 13, 1952, after a careful consideration of alternative possibilities, that Pakistan should be permitted to devote $5,000,000 of its portion of our Colombo Plan funds to the purchase of wheat "during the fiscal year 1952-53". In view of the fact that considerable time has elapsed since this offer was made, I would suggest that Cabinet be asked, if necessary, to confirm that this offer is still open. I would hope that you would have

an opportunity to discuss this matter with the Prime Minister before your departure.[24]

4. The desire of the Pakistan Government to finance its necessary wheat purchases without encroaching on Colombo Plan funds is evident from the fact that it has spent some $17,000,000 from its own limited resources during the past six weeks or so in procurement of wheat from Canada. This evidence of the effort which Pakistan has made to meet its own needs, combined with the seriousness of the food prospect, would seem to warrant at least this measure of assistance.

5. On political grounds it would seem most desirable to do what we can.[25] The present Government is not strong. It is subject to internal political pressures, notably from the *mullahs* and their followers and as a result of provincial jealousies and some communist agitation. The Karachi riots and continued inaction regarding the Constitution are symptoms of popular dissatisfaction. Nevertheless, it is by far the best government in sight from our point of view. Another government would probably look with disfavour on the Commonwealth; and, if a change took place as the result of a military coup, the future shape of Pakistan would be difficult to predict.

6. I would not think it wise that we should agree at this stage to permit the whole of our Colombo Plan contribution to Pakistan in respect to 1952-53 to take the form of wheat. In the first place, this would run the risk of criticism from India to which we were prepared to allocate only $5,000,000 for wheat last year although she had requested a much more substantial amount. Secondly, to use the whole of our 1952-53 contribution for wheat would prevent us from contributing towards worthwhile longer term development projects on which we are now working. Thirdly, while $5,000,000 would by no means cover Pakistan wheat needs, it would seem to be a sufficient amount to encourage other countries which may be in a position to help. Last year the United States made a grant of $15,000,000 for this purpose and it might be prepared to go further this time if there is this evidence of our readiness to assist Pakistan. If assistance from other sources turns out to be inadequate to meet the situation, it might then be necessary to consider further the possibility of using additional Colombo Plan funds for wheat purchases.

7. As indicated in the message from Karachi, if this wheat is supplied to Pakistan, counterpart funds will be established for financing the local currency part of future capital development projects.

L.D. W[ILGRESS]

---

[24] Note marginale:/Marginal note:
Today Cabinet. L.B. P[earson]

[25] Note marginale:/Marginal note:
I agree. L.B. P[earson]

631. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], February 19, 1953

. . .

WHEAT FOR PAKISTAN

28. *The Secretary of State for External Affairs*, referring to discussion at the meeting of September 13th, 1952, said the Pakistan government had at that time decided against financing imports of wheat through the use of $5 million from Colombo Plan funds. The food situation in Pakistan had continued to be severe and an urgent request had now been received from the Pakistan authorities that the total amount of money available out of the Colombo Plan Vote for 1952-53, approximately $9 million, be allocated for the purchase of wheat. It seemed unwise to release the entire amount of funds for that purpose, but it was recommended that the offer of $5 million be repeated.

An explanatory memorandum had been circulated.

(Minister's memorandum, Feb. 18, 1953 — Cab. Doc. 42-53)†

29. *The Cabinet* approved the recommendation of the Secretary of State for External Affairs and agreed that the offer to Pakistan be confirmed to permit the use of $5 million of Colombo Plan funds for the purchase of wheat, on condition that a counterpart fund be established by the Pakistan government, in the rupee equivalent of the Canadian dollar expenditure, to be used for local costs of economic development projects to be approved by the Canadian government; an Order-in-Council to be passed accordingly.

(Order-in-Council P.C. 1953-248, Feb. 19)†

. . .

632. DEA/11038-2-1A-40

Le haut-commissaire au Pakistan
au secrétaire d'État aux Affaires extérieures

High Commissioner in Pakistan
to Secretary of State for External Affairs

TELEGRAM 32 Karachi, February 25, 1953

Prime Minister, yesterday, expressed to me his appreciation and gratitude for the offer of Canadian wheat under the Colombo Plan. Announcement credited to External Affairs Monday is widely published here this morning.

633. DEA/11038-2-1A-40

Note du sous-secrétaire d'État aux Affaires extérieures au secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], April 30, 1953

PAKISTAN FOOD SHORTAGE

You will recall that when you were in New York in late February, Mr. Amjad Ali[26] called on you to discuss the serious food difficulties in Pakistan and to inquire concerning the possibility of Canadian assistance. His approach to you was made at the special request of his Prime Minister. You explained to Mr. Amjad Ali that consideration was then being given in Ottawa to the allocation of a certain amount of Colombo Plan funds for the provision of wheat to Pakistan. It was, in fact, agreed that $5 million should be used for this purpose and shipments of wheat will take place within the next month.

2. We have been receiving a good deal of information over the past few months about the current food situation in Pakistan, mainly from our mission in Karachi, and all these reports confirm that a very serious shortage is in prospect in the coming months. It appears that the absolute minimum which Pakistan will have to import is 1.5 million tons of wheat at an approximate value of $150 million. They hope to obtain the bulk of their needs from the United States under a long-term loan. We understand, but we have not yet received confirmation, that the Pakistan Government has already made a formal request to the United States Government for a loan of $100 million to buy a million tons of wheat. We understand further that the US Administration is preparing a recommendation to Congress for a substantial wheat loan though for considerably less than the $100 million asked for by the Pakistan Government. In addition to supplies which Pakistan hopes to obtain from the United States, their plans are based on the assumption that some Colombo Plan aid from Canada will be devoted to wheat and that a barter deal of rice for wheat, presumably with Japan, would yield 150,000 tons. Finally, according to our latest information from Karachi, they expect to be forced to purchase $30 million worth of wheat with their own very scarce foreign exchange. (These plans will, of course, have to be revised in the light of the final US decision.)

3. The gravity of the situation in Pakistan has been emphasized by Lord Boyd-Orr[27] in the special report which he recently completed for the Pakistan Government. The food shortage has been caused by a variety of circumstances principally an abnormally-low rainfall but also by population increase, the growing of cash crops for export (jute and cotton) instead of food, smuggling and hoarding and the

[26] Syed Amjad Ali, ambassadeur du Pakistan aux États-Unis.
Syed Amjad Ali, Ambassador of Pakistan in United States.

[27] Président/Chairman, Grow More Food Emergency Committee of Pakistan.

use of common canal and river waters by India. In his specific recommendations for increased food production to be applied immediately, Lord Boyd-Orr includes

(a) diversion of cotton acreage to grains,
(b) irrigation measures of an immediate kind,
(c) importation and use of fertilizers,
(d) measures for control of plant diseases, and
(e) building up of reserve stocks to prevent soaring prices.

He believes that by these prompt measures the crisis could be removed in a year and Pakistan's position as a food surplus country restored in three years. He apparently recognized that his recommendations were unlikely to be put into action without some special impetus and he, therefore, urged the establishment of an emergency organization with an over-riding authority to co-ordinate all connected departments of Government and Cabinet. The former Pakistan Government accepted this last recommendation and, in fact, established a "Grow More Food Emergency Committee" and secured the services of Lord Boyd-Orr to act as Chairman. Certain of the other emergency measures recommended in the report have already been adopted by the Government of the Punjab, the most important food-producing State.

4. There can, I believe, be no doubt whatsoever of the extreme gravity of the food situation facing Pakistan in the next few months. The crisis can be measured in part by the very exceptional action of the Pakistan Government in setting up this Emergency Food Committee with extraordinary powers and appointing Lord Boyd-Orr to chair it.

5. From a political point of view shortage of grain is perhaps the greatest immediate menace to stability in Pakistan. According to Lord Boyd-Orr, the shortage combined with a rise in prices threatens uncontrolled inflation "with resulting economic collapse and social and political unrest". The apparent inability of the Nazimuddin government to cope effectively with the economic crisis was one of the reasons given by the Governor-General for its dismissal. There is no doubt that the new Government's prospects depend in large part on its handling of the economic crisis, and especially on its success in dealing with the food problem. Furthermore, we understand that the United States may be looking to Pakistan to get maximum assistance from Commonwealth and Muslim countries before deciding what aid to give. Not only from the point of view of promoting political stability in Pakistan under its new Government but also from the point of view of maintaining Pakistan's Commonwealth relations in healthy balance with its relations with the United States, it would seem desirable for the Canadian Government to do all possible to assist Pakistan with wheat. It may also be relevant that the new Government, while looking firmly toward the West in the present crisis, is prepared to get wheat wherever it can. It will be recalled that the USSR supplied Pakistan with substantial quantities of wheat on a barter basis when a shortage developed last year.

6. We shall certainly be approached in the very near future with a formal request from the Government of Pakistan for assistance in the present food difficulties. We have already been told by the High Commissioner in Karachi that during a visit on

April 24, accompanied by Mr. Cavell and Mr. Hume Wright, to the Finance Minister, Mohammed Ali said that an urgent request would shortly be made of the Canadian Government for the use of the full amount of Canadian Colombo Plan funds available for Pakistan in 1953-54 for the purchase of wheat.

7. We would strongly recommend that in this unusual and very grave emergency Canada should lend a hand to Pakistan to assist them in obtaining essential foodstuffs. Although in certain circumstances a good case can be made for providing wheat on a counterpart fund basis under the Colombo Plan, and we would not wish the door closed for such arrangements, in this particular emergency situation in Pakistan reliance on Colombo Plan funds alone would raise serious difficulties. The food requirements are so great that, if we were to start with the Colombo Plan funds, it would be hard for us to justify giving less than the whole of our Colombo Plan contribution in the form of wheat. If, however, all of our Colombo Plan funds for Pakistan were to be allocated for wheat purchases there would be nothing left for providing capital equipment for projects aimed at improving the long-term position. Some worthwhile projects in this field (for example, the Warsak hydro-electric and irrigation scheme for which we have pledged continuing support subject to future Parliamentary votes), would have to be sacrificed with obvious unfortunate effects on the national development plan. Moreover, the diversion of the full amount of Pakistan's share of Colombo Plan aid to the provision of wheat would make it extremely difficult to refuse a similar request from India and in that event Canada's Colombo Plan programme would, in effect, have become entirely a wheat-supply programme. This would certainly constitute an unfortunate departure from the broad and imaginative approach to the basic problem of economic development which inspired the Colombo Plan.

8. In the circumstances outlined above we would recommend that in anticipation of an early request from the Pakistan Government, the emergency food situation in Pakistan be put to Cabinet for discussion and that the following alternatives be considered:

(a) That Parliament be asked next week to approve a special Vote to provide for a grant of $5 million for the purchase of Canadian wheat for Pakistan. If such a grant were approved, consideration might later be given to the desirability of supplementing this assistance by allocating a portion of Colombo Plan funds for wheat purchases. This would only be done if a good case is made by Pakistan for additional supplies and if requirements for capital equipment for worthwhile development projects do not absorb the Colombo Plan funds available.

Or

(b) That Parliament be asked to approve a special Vote of, say, $10-$15 million for the purpose of extending a long-term loan to Pakistan for the purchase of wheat.

9. I attach a letter addressed to you from the Premier of Saskatchewan in which Mr. Douglas inquires concerning the Canadian Government's intentions in regard to assistance to Pakistan and indicates the interest of the Government of Saskatchewan in making a contribution.† Mr. Douglas's letter has already been acknowl-

edged by your office. A substantive reply will, of course, depend upon what action the Cabinet decides to take.

L.D. W[ILGRESS]

634. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], May 5, 1953

WHEAT FOR PAKISTAN

1. *The Secretary of State for External Affairs* said he had been advised that Pakistan would submit, within the next few days, an urgent request for an amount equivalent to its full share of Colombo Plan funds in the current year (about $9 or $10 million) to be used for the purchase of wheat to meet the serious food shortage. The government of Pakistan had already asked the United States government for a long term loan of $100 million to buy 1 million tons of wheat. Australia and New Zealand were expected to give assistance, probably under their Colombo Plan programmes. Pakistan expected to purchase $30 million worth of wheat, probably in large part from Canada, but it would still have a deficit of 300,000 to 800,000 tons. For humanitarian reasons and to promote political stability in Pakistan it was desirable for Canada to provide assistance.

If Colombo Plan funds were used for wheat purchases, some projects involving capital equipment would probably have to be sacrificed. In the circumstances, it was recommended that Parliament be asked to approve a special vote of $5 million to grant wheat to Pakistan.

The Premier of Saskatchewan had written indicating the desire of the government of Saskatchewan to contribute, either jointly with the Federal government or independently, to the wheat requirements of Pakistan and India.

An explanatory memorandum had been circulated.

(Minister's memorandum, May 2, 1953 — Cab. Doc. 118-53)†

2. *In the course of discussion* it was suggested:

(a) It would be desirable to try to provide some wheat in the present circumstances but with the session of Parliament so close to an end, it would be best to avoid the introduction of a special appropriation if that could be done. The preferable course would be to have $5 million of Colombo Plan funds used for the purchase of wheat for Pakistan, on the understanding that Parliament would be asked, at the next session, to make up the amount.

(b) While it would be suitable to use Colombo Plan funds originally, it would be preferable not to have the amount left permanently as a charge against the Colombo Plan operation. In the economic circumstances of Pakistan, it would be preferable to have the assistance by gift rather than loan.

(c) It was possible that even a temporary charge against the Colombo Plan appropriation might delay development projects. If such would be the result, it would be desirable to have a special appropriation.

3. *The Cabinet* agreed:

(a) that, if it would not seriously hamper development projects under the Colombo Plan in the current year, $5 million of the appropriation for Pakistan be allocated for the purchase of wheat, on the understanding that the government would recommend to Parliament, at its next session, that the amount be made up by funds then to be appropriated for the purpose; and,

(b) that, if a temporary diversion of funds from the Colombo Plan vote for wheat for Pakistan would seriously hamper development projects, a special appropriation of $5 million be inserted in the further Supplementary Estimates for consideration at the present session of Parliament to make a gift of wheat to Pakistan.

. . .

635. DEA/11038-2-1A-40

Le haut-commissaire au Pakistan
au secrétaire d'État aux Affaires extérieures

High Commissioner in Pakistan
to Secretary of State for External Affairs

DESPATCH 393 Karachi, June 4, 1953

COLOMBO PLAN WHEAT FOR PAKISTAN

The first consignment of Canadian wheat given under the Colombo Plan for 1952-53 arrived in Karachi on June 1st, per "S.S. Grenehurst"; the cargo consisted of 8,750 long tons of Manitoba No. 2 in good clean condition, in bulk. It was sacked in the hold, unloaded by seven electric cranes alongside, and loaded into boxcars. I understand that it would then be placed in government godowns pending rapid distribution to the respective centres. I presume that the sale at the final distribution centres will create rupee counterpart funds to be set aside in a special account.

2. On June 3rd, Mr. Bissonnet [28] and I met the ship at the dock, accompanied by Mr. S.A. Hasnie, Secretary, and Mr. Ijaz Ahmad, Joint Secretary of the Food and Agriculture Ministry, and other officials of the Ministry, and witnessed the unloading operations.

3. I made a few remarks, the gist of which is given in the attached note.† Mr. Hasnie, in the name of the Government of Pakistan, expressed profound gratitude and appreciation for this generosity and promptitude in meeting a part of the food requirements of Pakistan. In private conversation, both Secretaries said that, after many announcements from Canada, Australia, and other Commonwealth countries,

---

[28] A.P. Bissonet, secrétaire (Commerce), haut-commissariat au Pakistan.
A.P. Bissonet, Commercial Secretary, High Commission in Pakistan.

this was the first Colombo Plan wheat gift actually to arrive in Pakistan; and the promptitude was greatly appreciated. As Mr. Hasnie remarked, "he gives twice who gives quickly." This consignment was only the forerunner of the total 55,000 tons; and he was deeply grateful that under the 1953-54 programme a further 55,000 tons was to be given and shipped beginning this month. In the back of his mind I sensed his concern over the long delay over the United States wheat grant, which is still only in the discussion stage in Washington. I mentioned the fact that in addition to the Canadian Cabinet's prompt response, Mr. Ikramullah seems to have been extremely energetic in getting the procurement on its way.

4. I enclose photographs taken at the ship, and a rather inadequate press report, prepared by the Ministry;† we had prepared a somewhat fuller press report, but the Ministry got theirs in first, without clearing it with our office.

K.P. KIRKWOOD

4e PARTIE/PART 4

RELATIONS AVEC DES PAYS PARTICULIERS : ROYAUME-UNI
RELATIONS WITH INDIVIDUAL COUNTRIES: UNITED KINGDOM

SECTION A

QUESTIONS ÉCONOMIQUES/ECONOMIC ISSUES

636. DEA/1893-40

Le ministre des Finances du Royaume-Uni au ministre des Finances

Chancellor of the Exchequer of United Kingdom to Minister of Finance

[London], December 30, 1952

Dear [D.C.] Abbott,

I have sent you a separate message about the payment of the interest on the Canadian and American Lines of Credit. It may be useful if I now put on record the other points which we discussed shortly on the 12th December.

Canadian Government's claims arising out of the 1914-18 War

During our talk on the 12th December I mentioned an old claim which your Custodian of Enemy Property has recently revived against ours for an indemnity under an agreement dating to 1923 and relating to securities owned by our enemies in the 1914-18 War. This is a complicated matter and one which it has not so far been possible to settle in discussion among officials.

There is also a question which your people raised with us last August about a certain payment made by Canada under the clearing arrangements established for

reparation purposes after the 1914-18 War. This again is a very old issue and Mr. Churchill, then Chancellor of the Exchequer, wrote to Mr. Larkin about it in February 1926.

It does seem rather embarrassing for both of us to have these old issues outstanding between us and I should be very grateful if you would look into them and say whether you feel it necessary for your Government to press the two claims.

Pension liabilities under the Commonwealth Air Training Scheme and the Canadian Option Scheme

I enclose separate notes on these two points.† Our dollar commitments under both these Schemes are heavy, and it would afford us considerable relief if you could see your way to waive the reimbursement of pension payments — and the outstanding liability for medical treatment — under the Commonwealth Air Training Plan, and take over the supplementation in the case of other ranks who have exercised the option.

Interest-free Loan

I think you are well aware of our anxiety to regain full control of our dollar investments in Canada. Not only is the volume of securities which are subject to restriction quite out of proportion to the outstanding amount of the Loan; but the restriction prevents UK holders from adjusting their holdings to the best advantage. They are prevented from switching their securities into the more rapidly developing Canadian interests and the restriction must operate generally as a positive ban to new UK investment in Canada.

In order to free the existing securities we are, as I told you, ready to agree to amortise the outstanding balance of the Loan out of our current dollar income at about the same annual rate as the present rate of repayment. I very much hope that the Canadian Government will be able to agree to some plan on this basis and I should be grateful if you would let me know as soon as you conveniently can what you would consider to be a suitable arrangement.

Purchases of Cheese and Salmon

I am glad to let you know that I have felt able to authorize the Minister of Food to spend up to $1½ millions on buying cheese.

As regards canned salmon, I gather that the question will not arise in a practical form until April or May. In the meantime, I will, of course, bear in mind what you said on this.

R.A. BUTLER

637. DEA/1893-40

Le ministre des Finances
au ministre des Finances du Royaume-Uni

Minister of Finance
to Chancellor of the Exchequer of United Kingdom

Ottawa, January 8, 1953

Dear [R.A.] Butler,

Thanks for your letter of December 30th concerning the matters we discussed in your office on December 12th.

I am glad that you have felt able to authorize the Minister of Food to spend up to \$1½ millions on buying cheese in Canada. The appropriate procedure to complete the transaction would be for the representatives of the Ministry of Food to negotiate the purchase directly with the representatives of the producers, namely the Ontario Cheese Marketing Board.

Regarding canned salmon, I am informed that considerable stocks are available for immediate sale. The main canning season normally begins in June, but it is now estimated that there will be a carry-over at that time of about the same quantity as in the previous year. In these circumstances, it would be helpful if you could find it possible to authorize the Ministry of Food to negotiate for a purchase with the producers before too long.

I have reviewed again our two claims arising out of the 1914-18 war. I would be prepared, in view of the considerations you have raised, to recommend to my colleagues that the Canadian Government not press the claim arising out of a payment made by Canada, amounting to \$1,789,982.50, under certain clearing arrangements established after the war. I would be prepared also to recommend that the Canadian Government not press its claim, amounting to \$677,722.50, in respect of the Indemnity Agreement of 1923, if the United Kingdom Government would reimburse the Canadian Government for the cost of litigation amounting to \$104,197.57 which it incurred in connection with this Agreement. The indemnity provided for in this Agreement included the costs of Canadian litigation if undertaken with the concurrence of the United Kingdom Government. Our records show that litigation was undertaken at the expressed desire of the United Kingdom authorities.

I have not had an opportunity to consider adequately the proposals you have made respecting the 1942 interest-free loan and certain United Kingdom military pension liabilities in Canada. I will write you again as soon as I have had a chance to go into these matters more fully.

Yours sincerely,

D.C. ABBOTT

638. DEA/8508-40

Extrait du procès-verbal de la réunion des directions

Extract from Minutes of Meeting of Heads of Divisions

[Ottawa], April 13, 1953

. . .

UNITED KINGDOM — CANADA CONTINUING COMMITTEE ON TRADE AND ECONOMIC AFFAIRS

23. *Mr. A.E. Ritchie*. The United Kingdom — Canada Continuing Committee will meet in Ottawa on April 15th, 16th, and 17th, under the Chairmanship of Lieut/Gen. Sir Archibald Nye, the UK High Commissioner. The Committee will review the general economic situation and consider matters of mutual concern in the economic, trade and financial fields. As has been customary in the past, no specific negotiations will be undertaken. A brief communiqué will be issued before the opening meeting, listing the members of the Committee. The text will be designed to forestall any expectation of specific developments as a result of the meeting. In addition to the High Commissioner, the United Kingdom Delegation will consist of:

Sir Frank Lee — Board of Trade
Sir Leslie Rowan, Mr. Martin Flett — UK Treasury
Sir Eric Bowyer — Ministry of Materials
Sir Henry Hancock of the Ministry of Food may also be attending.

The Canadian members of the Committee are:

Mr. L.D. Wilgress
Mr. J.G. Taggart
Mr. W. Bull
Mr. J. Deutsch

Other Canadian officials will attend the Committee meeting for the discussion of special subjects.

. . .

639. DEA/8508-40

Extrait du procès-verbal de la réunion des directions

Extract from Minutes of Meeting of Heads of Divisions

[Ottawa], April 20, 1953

. . .

THE COMMONWEALTH

UK — CANADA CONTINUING COMMITTEE ON TRADE AND ECONOMIC AFFAIRS

21. *Mr. A.E. Ritchie*. One of the occasional meetings of this Committee started on Wednesday, April 15, and concluded on April 17. Useful discussions took place

regarding the prospects for the "collective approach" to currency convertibility and freer trade and regarding a variety of economic questions involving the two Governments. As on past occasions, no definite conclusions were reached but the views expressed will be taken into account by both Governments.

. . .

640 PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], May 13, 1953

. . .

UNITED KINGDOM INTEREST-FREE LOAN; BASIS OF SETTLEMENT

23. *The Minister of Finance* mentioned that, under the terms of the 1942 interest-free loan to the United Kingdom, the outstanding amount was to be reduced by sales to non-residents of Canadian securities held by United Kingdom owners. Some offsets had subsequently been agreed to. The interest-free provision, originally limited to the duration of the war, had been extended by Parliament to December 31st, 1953. The United Kingdom was anxious to find a means of allowing investors to switch Canadian securities and had informally outlined a basis of settlement of the balance now outstanding. On March 31st, 1953, this balance was approximately $196 million as compared with the original amount of $700 million.

The plan was that the United Kingdom government pay $46 million outright — possibly by June 1st. The balance of $150 million would be paid by quarterly instalments of $7.5 million beginning March 1st, 1954 and ending December 1st, 1958. The annual rate of payment of $30 million would be slightly more than the present rate. Altogether, the arrangement appeared to be a desirable one. It would probably be necessary to get the approval of Parliament for the extension beyond December 31st, 1953, but it would not be necessary to seek authority to permit switching of securities since the limitation was based on an administrative arrangement.

It was recommended that approval be given in principle to the plan, on the understanding that when it was finally proposed and agreed to, a press release would be issued. A draft release was submitted.†

24. *In the course of discussion* it was suggested that the press release should include reference to Parliamentary approval of the extension of the loan.

25. *The Cabinet* noted with approval the report of the Minister of Finance concerning a possible basis of settlement by the United Kingdom of the outstanding balance of the 1942 interest-free loan, and agreed that, if a formal proposal for such an arrangement were made by the United Kingdom, it be approved and a press release issued in accordance with the draft submitted, but with modification to make it clear that the plan would be subject to Parliamentary approval of the exten-

sion beyond December 31st, 1953, of the interest-free arrangement on outstanding amounts of the loan.

. . .

641. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], August 13, 1953

. . .

1942 LOAN TO THE UNITED KINGDOM; ARRANGEMENT FOR REPAYMENT

5. *The Minister of Finance*, referring to discussion at the meeting of May 13th, 1953, said the United Kingdom had now made definite proposals, along the lines expected, for repayment of the outstanding balance of the 1942 loan. It was recommended that an agreement be made accordingly.

6. *The Cabinet* approved the recommendation of the Minister of Finance and agreed that he be authorized to execute an agreement between the government of Canada and the government of the United Kingdom respecting the repayment of the outstanding balance of the loan to the United Kingdom under the War Appropriation (United Kingdom Financing) Act 1942, to provide, in substance, that the outstanding balance of the loan be reduced to $150 million as of the date of the agreement; that the remainder be repaid by quarterly instalments of $7.5 million beginning March 1st, 1954, and ending December 1st, 1958; and that the loan be free of interest until the final redemption on December 1st, 1958; the agreement to be submitted to Parliament at the first opportunity; an Order-in-Council to be passed accordingly.

(Order-in-Council P.C. 1953-1298, Aug. 13)†

. . .

642. DEA/8925-E-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs to High Commissioner in United Kingdom

TELEGRAM 1463 Ottawa, September 15, 1953

CONFIDENTIAL. IMMEDIATE.

Following for Rt. Hon. C.D. Howe from W.F. Bull, Begins: Coon, of Ontario Cheese Producers Marketing Board reported that Sir Andrew Jones[29] is recommending to London that they purchase 22.5 million pounds of cheese, of which 15 million pounds would be delivered by December 31, 1953, and the balance of 7½ million pounds in May 1954. Coon asked for 28 cents a pound and Jones claimed that he could not pay more than 25½ cents in view of the lower price of New Zealand cheese.

2. It is obvious that Sir Andrew will not raise his offer above 25½ cents without instructions from London. It would be desirable to approach the Ministry of Food before they take a firm stand on the price. Accordingly the Cheese Producers would appreciate it if you or Mr. Robertson could attempt to raise this offer to 28 cents per pound f.a.s.,[30] Montreal. Ends.

643. DEA/8925-E-40

Le haut-commissaire au Royaume-Uni au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom to Secretary of State for External Affairs

TELEGRAM 1591 London, September 17, 1953

CONFIDENTIAL. IMMEDIATE.

CHEESE NEGOTIATIONS

Reference: Your telegram No. 1463 of September 15.

Following for W.F. Bull from Robertson, Begins: After discussing your message with Mr. Howe yesterday I arranged to see Sir Henry Hancock this morning. He held out no hope of the United Kingdom increasing their offer for cheese. In fact, he appeared to be surprised that Sir Andrew Jones had offered 25 and one half cents per pound, since he had not been authorized to offer more than 25 cents. I think there is little doubt that the Ministry will confirm the extra half cent offered

[29] Chef de la Food Mission du Royaume-Uni.
Head, Food Mission of United Kingdom.

[30] freight alongside ship

by Jones, but I see no prospect of them going much or any higher. Hancock said that while they would like to buy Canadian cheese and had secured Treasury authority for its purchase, they were not under pressure to get it because they could maintain the ration without it. In these circumstances the price they were offering for Canadian cheese, which when landed in London would cost them a little more than New Zealand cheese, seemed to them a fair one which he couldn't advise his government to increase.

2. Domestic cheese production has been increasing in this country in the last year or two, so that despite some reduction in New Zealand and Australian shipments the stock position is not unsatisfactory, particularly since the retail price of cheese has been increased from 1/4d to 2/4d per pound in the course of the last eighteen months, with some slight consequential curtailment of domestic consumption.

3. I asked Hancock whether his Ministry had given any thought to the possibility of releasing mature Cheddar cheese for sale off the ration in the free market in competition with the fancy European cheeses, at whatever premium over the rationed price its quality could command. He said they had looked into this possibility but had concluded that so long as cheese was rationed it would be administratively impossible to legalize the sale of any Cheddar in the free market. They were permitting the sale of some old Cheshire cheese, but with Cheddar the possibilities of fraudulent substitution of rationed for off-ration cheese would be so great that the whole scheme might break down. He did not think cheese and butter could come off the ration until they were in a position to deration margarine and cooking fats. This they cannot do until the country's general international economic position permits them to lay out dollars for oils and fats. I gather that the principal obstacle to moving in this direction is a foreseen requirement of very substantial imports of American lard.

4. I do not know how far below the present domestic support price the government would think it worthwhile going in order to sell off the present cheese surplus. It seems to me that if we are going to stay in the cheese export business, we shall have to keep our costs and prices competitive. In a free market we could probably command a better premium over New Zealand than the Ministry of Food is prepared to offer under present conditions. The fact that we are not, even under these conditions, very far out of line on cheese prices, and the prospect that after decontrol there should normally be a market in this country for at least ten or fifteen thousand tons of Canadian cheese, tend in my mind to strengthen the case for completing this deal even at a loss of five cents a pound against the present support price. Ends.

644. DEA/8925-E-40

Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs
to High Commissioner in United Kingdom

TELEGRAM 1500 Ottawa, September 24, 1953

CONFIDENTIAL. IMPORTANT.

CHEESE

Reference: Your 1591 of September 17.

Following from W.F. Bull, Begins: We are disappointed with the Ministry of Food's reaction to our proposal that they raise their offering price on cheese to 28 cents per pound f.a.s. Montreal. We understand the Ministry is paying more for New Zealand cheese and Danish dairy products this year than they paid in the past. The Ministry purchased cheese in Canada earlier this year at 28½ cents per pound f.a.s. Montreal, and it does not seem reasonable that they should expect to pay less for Canadian cheese at this time.

2. Gordon Taggart[31] has talked with Mr. Gardiner by telephone and Mr. Gardiner feels strongly that we should not sell the 5 million pounds of cheese held by the Agricultural Prices Support Board for less than 30 cents per pound. Ontario Cheese Producers Marketing Board still anxious to sell cheese for delivery this fall and they will undoubtedly ask for financial help in closing the gap between what the British are offering and 29 cents, which is approximately the cost of the cheese they are now holding.

3. National Dairy Council have also been in touch with us and are most anxious to see this sale completed to the United Kingdom, in view of the long-term effect on both the domestic and export markets for Canadian cheese.

4. In view of the British stock position and the difficulty in supplying even 15 million pounds of Canadian cheese at this time, would you please ascertain if the Ministry would be interested in a somewhat lower quantity, say, 10 million pounds, for shipment October-November this year and the balance of the order to be delivered in May-June, 1954. This would enable the Ontario Cheese Producers Marketing Board to participate in any increase in Canadian domestic prices resulting from this export movement.

5. Mr. Gardiner is due back in Ottawa on Wednesday, October 30. Ends.

[31] J.G. Taggart, sous-ministre de l'Agriculture.
J.G. Taggart, Deputy Minister of Agriculture.

645. DEA/8925-E-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 1633 London, September 25, 1953

CONFIDENTIAL. IMPORTANT.

CHEESE

Reference: Your telegram No. 1500 of September 24.

Following for W.F. Bull from Robertson, Begins: I am afraid my talk with Hancock this afternoon was no more productive than that reported in my telegram No. 1591 of September 17. He insisted that the Ministry was not a keen buyer. It would like some Canadian cheese, though it did not need it to maintain the ration. It was prepared to pay 25½ cents per lb. which on their calculations amounted to 200 shillings per hundredweight f.a.s. Montreal, or about 212 shillings landed in London. They were paying 182/6d f.a.s. New Zealand, which meant a landed cost here of about 200 shillings. At a retail price of 2/2d per lb. (not 2/4d as I wrongly reported in my previous telegram), the New Zealand cheese can just be sold without subsidy. Canadian cheese at the price they are willing to pay needs some subsidy to be sold at the ration price. Hence their very great reluctance to consider paying more than 25½ cents.

2. The Ministry's offer to buy would be firm at their price for 10 million pounds for October-November shipment. They would be definitely not interested in making any firm commitments now for May and June 1954 deliveries, because they hope that by that time the process of decontrol will have taken them out of business. Ends.

646. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], September 29, 1953

. . .

CHEESE; SALE TO THE UNITED KINGDOM

27. *The Minister of Trade and Commerce* reported that the United Kingdom had allocated $2 million for the purchase of Canadian cheese. After discussion, and in the light of supplies, the offer to purchase was adjusted to 10 million pounds. Negotiations with the trade in Canada had been carried out and had reached an *impasse*. The trade wanted a price of 28½ cents per pound. The United Kingdom

would go no higher than 25½ cents. Efforts had been made by him and by the High Commissioner in London to get the offer up, but without success. If the UK could not secure supplies in Canada, it would purchase in Europe.

The Agricultural Prices Support Board had in storage about 5 million pounds of 1952 cheese which had cost about 30½ cents with carrying charges. If no sale were made to the United Kingdom, the Board would be obliged to buy another 10 million pounds from the Ontario Cheese Producers Association at the end of October at 30 cents. With the prospect of no other market for the available stocks it seemed desirable to accept the United Kingdom offer. It would mean a loss to the government of something over $450,000.

28. *In the course of discussion* it was pointed out that it would be valuable to have a certain quantity of Canadian cheese on the UK market with the prospect that, if the United Kingdom dropped its rationing programme, it would be more readily possible to go into the open market there.

29. *The Cabinet* noted the report of the Minister of Trade and Commerce on negotiations for the sale of cheese to the United Kingdom, and deferred decision pending discussions between the Minister and the Minister of Agriculture.

. . .

647. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], October 7, 1953

. . .

CHEESE; SALE TO THE UNITED KINGDOM

27. *The Minister of Agriculture*, referring to discussion at the meeting of September 29th, 1953, said the estimated cheddar cheese production for 1953 would be approximately 72 million pounds, an increase of 8 percent over 1952 but lower than in any other year of Canada's history. The government now had on hand 5 million pounds of 1952 cheese purchased from the Ontario Cheese Producers Association. The amount of First Grade 1953 cheese in the hands of the Association, which it appeared likely would be sold to the government on November 1st, amounted to 8 million pounds, making a total of government holdings on November 1st of 13 million pounds.

An explanatory memorandum was circulated.

(Minister's memorandum, Oct. 7, 1953 — Cab. Doc. 237-53)†

28. *In the course of discussion* it was argued on the one hand, that the offer from the United Kingdom was 25 cents per pound and cheese was now selling at 28¼ cents in Montreal and 29 cents in Toronto. The price had gradually edged up over the last few months. If the UK offer were not taken up, stocks now held by the

Agricultural Prices Support Board, plus what would be sold to the government on November 1st, could be disposed of without too great a loss.

On the other hand, it was argued that if the accumulated stocks as of November 1st were sold on the market in Canada, it was unlikely that a sale price near the support price could be obtained, and government holdings would remain high unless they were sold at a considerable loss. It appeared desirable to have 10 million pounds removed from the domestic market by a sale to the United Kingdom at 25 cents per pound, thus reducing the loss to the government and maintaining the domestic price.

29. *The Cabinet* agreed:

(a) that efforts be made to sell as much cheese as possible both on the domestic market and externally in the next few weeks; and,

(b) that the matter be kept under review and, as the United Kingdom offer was open until November 1st, the question be reconsidered at a later meeting.

. . .

648. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], October 14, 1953

. . .

CHEESE; SALE TO THE UNITED KINGDOM

8. *The Minister of Agriculture*, referring to discussion at the meeting of October 7th, said the domestic price of cheese had now risen to 29½ cents per pound and small quantities of government stocks had been disposed of on the domestic market. The offer from the United Kingdom was still open.

9. *The Cabinet* noted the report of the Minister of Agriculture and agreed that the question of the sale of cheese to the United Kingdom be considered at a meeting prior to November 1st, when the United Kingdom offer of 25 cents per pound would lapse.

. . .

649. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], October 28, 1953

. . .

CHEESE; SALE TO THE UNITED KINGDOM

13. *The Minister of Citizenship and Immigration, as Acting Minister of Agriculture*, referring to discussion at the meeting of October 14th, reported that the Ontario Cheese Producers Association had accepted an offer for the sale of cheese to the United Kingdom.

14. *The Cabinet* noted the report of the Acting Minister of Agriculture that the Ontario Cheese Producers Association had sold 10 million pounds of cheese to the United Kingdom at a price of 25½ cents per pound f.a.s. Montreal.

. . .

SECTION B

CÂBLE TÉLÉPHONIQUE TRANSATLANTIQUE
TRANS-ATLANTIC TELEPHONE CABLE

650. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], March 19, 1953

. . .

TRANS-ATLANTIC TELEPHONE CABLE; DISCUSSIONS WITH THE UNITED KINGDOM

49. *The Minister of National Defence, as Acting Secretary of State for External Affairs*, submitted a draft note to the High Commissioner for the United Kingdom in Canada stating that Canada would welcome the opportunity to hold discussions concerning arrangements for construction of a trans-Atlantic telephone cable.† Among other things, Canada had an interest in the question whether the cable should land in Newfoundland or Nova Scotia rather than go direct to the United States.

An explanatory memorandum was circulated.

(Acting Minister's memorandum, March 18, 1953 and attached draft despatch — Cab. Doc. 79-53)†

50. *The Cabinet* approved the recommendation of the Acting Secretary of State for External Affairs, concurred in by the Acting Minister of Transport, and agreed

that a note be sent to the High Commissioner for the United Kingdom in Canada, as submitted, concerning Canadian interest in a proposal to construct a trans-Atlantic telephone cable between the United Kingdom and Canada and stating that Canada would welcome the opportunity to hold discussions with the United Kingdom concerning arrangements for the cable, and would be prepared to join in subsequent tripartite discussions with the UK representatives and officials of the American Telephone and Telegraph Company if that seemed desirable.

. . .

651. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], May 13, 1953

. . .

TRANS-ATLANTIC TELEPHONE CABLE; DISCUSSIONS CONCERNING ARRANGEMENTS

18. *The Minister of Trade and Commerce, as Acting Minister of Transport*, referring to discussion at the meeting of March 9th, 1953, submitted a report concerning discussions with representatives of the United Kingdom General Post Office and the American Telephone and Telegraph Company about the construction of a trans-Atlantic telephone cable.

Copies of the memorandum were circulated.

(Minister's memorandum, May 12, 1953 — Cab. Doc. 122-53)†

Among other things, it had been agreed with the United Kingdom representatives that Canadian ownership of a share of the cable would be desirable; that Canada and the United Kingdom should have the right to exclusive use of up to five telephone circuits between Canada and the United Kingdom; and that all trans-oceanic telephone calls originating in Canada be handled by the Canadian Overseas Telecommunication Corporation. Talks with the American Telephone and Telegraph Company showed insistence on their part on having their Canadian subsidiary, the Eastern Telephone and Telegraph Company, install, own, maintain and operate, the repeaters and terminal stations in Newfoundland and Nova Scotia and the land cable to the Canada-United States border. Canadian acceptance of the conditions laid down by the Company would permit its subsidiary to operate and maintain facilities on Canadian territory which would have the effect of taking over from the Canadian Overseas Telecommunication Corporation the control of Canadian trans-Atlantic telecommunications. Alternatives were to permit construction on the terms indicated, or, to face the possible consequences of refusing the terms in order that external telecommunication services might remain under the control of the COTC. There were sufficient advantages in construction of a cable via Newfoundland that it appeared desirable to take a strong stand.

19. *In the course of discussion* it was argued on the one hand that, as long as adequate facilities were made available for Canadian purposes, there was no sufficient advantage in partial Canadian ownership to justify the expenditure that would be involved or the risk of having facilities established over the Azores route.

It was argued on the other hand:

(a) that it would not be desirable to have the control of the facilities in Canada and of Canadian external telecommunications services vested in a subsidiary of a United States company; and,

(b) that, in the event negotiations broke down and the United States company seriously proposed construction of a cable via the Azores, Canada could then review its position.

20. *The Cabinet* noted the report concerning discussions with representatives of the United Kingdom General Post Office and of the American Telephone and Telegraph Company concerning the construction of a trans-Atlantic telephone cable, and agreed that, in pending negotiations with the Company, Canadian representatives maintain the position that Canada must exercise control over telecommunication facilities crossing Canadian territory, both for the protection of Canadian carriers and in the interests of the Canadian Overseas Telecommunication Corporation, on the understanding that, if negotiations broke down, the position might be subject to review after the return of ministers from the Coronation.

. . .

652. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], May 19, 1953

. . .

TRANS-ATLANTIC TELEPHONE CABLE

50. *The Minister of Transport*, referring to discussion at the meeting of May 13th, said officials of the American Telephone and Telegraph Company had requested a meeting with him and he planned to see them within the next day or two. He would, in discussion with them, take the position that had been approved.

51. *The Cabinet* noted the report of the Minister of Transport concerning a meeting he would hold with officials of the American Telephone and Telegraph Company concerning the proposed Transatlantic Telephone Cable and agreed that, in such discussions the position by the Minister be as approved by the Cabinet at the meeting of May 13th.

. . .

653. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], September 9, 1953

. . .

TRANS-ATLANTIC TELEPHONE CABLE

27. *The Minister of Transport*, referring to discussion at the meeting of May 19, 1953 said negotiations with the United States and the United Kingdom for three-way participation in a cable from the United States to the United Kingdom via Canada had reached a stalemate. The American Telephone and Telegraph Company insisted on having their Canadian subsidiary, the Eastern Telephone and Telegraph Company, control the Canadian part of the connection and also insisted on at least 50 percent American ownership in the cable itself. There were two possibilities: to participate in the project on those terms or to refuse to participate and to see if the United Kingdom were interested in constructing a cable independently of the United States. The cost to Canada of the first alternative would be between $3 million and $4 million, and of the second about $15 million. It was recommended that an approach be made to the United Kingdom government to see if they would join with Canada in constructing a trans-Atlantic cable. If so, landing and transmitting rights might be granted to the American Telephone and Telegraph Company for the UK-US cable, subject to the condition that six telephone and six telegraph circuits be leased to Canada for Canada-UK messages, until such time as the Canada-UK cable was in operation. If the United Kingdom was not agreeable to the Canadian proposal, the views of the Commonwealth Telecommunications Board might be sought as to the desirability of an American company maintaining and operating a portion of the Commonwealth telecommunications network.

An explanatory memorandum has been circulated.

(Minister's memorandum, Sept. 4, 1953 — Cab. Doc. 174-53)†

28. *In the course of discussion* it was suggested on the one hand, that the political and security considerations against the American Telephone and Telegraph proposal were not substantial and that the matter should be regarded primarily from a commercial viewpoint. If so, it would not appear necessary to adhere too strongly to the position that there were Canadian rights that had to be safe-guarded. It was suggested, on the other hand, that the political and security considerations were real and that it would be undesirable for Canada to be in a position where telephone and telegraph facilities were under the direct control of a US corporation. Having regard for the differences of view, it might be best to ascertain whether the United Kingdom would be willing to participate in a UK-Canada cable before taking any further decision as to the course that might be followed consequent upon the British reply.

29. *The Cabinet* noted the report of the Minister of Transport concerning negotiations for the construction of a trans-Atlantic telephone cable and agreed:

(a) that an enquiry be made through the office of the Canadian High Commissioner in London to ascertain whether the United Kingdom would be willing to join with Canada in constructing by a given date, possibly within five years, and operating a trans-Atlantic telephone cable; and,

(b) that the committee considering the cable question submit a report on the commercial and political considerations involved in the question.

. . .

654. **PCO**

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], September 24, 1953

. . .

TRANS-ATLANTIC TELEPHONE CABLE

23. *The Minister of Transport*, referring to discussion at the meeting of September 9th, 1953, said telegrams had now been received from the Minister of Trade and Commerce and the Canadian High Commissioner in London, following a meeting with the Secretary of State for Commonwealth Relations and the Postmaster General of the United Kingdom.

The United Kingdom were not willing to participate in a joint UK-Canada scheme and preferred the tripartite US-UK-Canada arrangement. It was suggested that the Postmaster General and certain British officials come to Ottawa to discuss the latter proposal further. It was now for decision whether the government should agree to the tripartite plan or consider some other alternative.

24. *In the course of discussion*, it was pointed out that, under the tripartite arrangement, Canada would have the use of from six to nine of the thirty-six circuits contemplated, while its share of the capital cost of the cable would amount to 9 percent of the total outlay.

It was also mentioned that the New Brunswick Telephone Company and the Maritime Telephone and Telegraph Company had considerable experience in transmission services which might be useful for any proposed trans-Atlantic cable.

25. *The Cabinet* noted the report of the Minister of Transport on negotiations for the construction of a trans-Atlantic telephone cable, and agreed:

(a) that the United Kingdom Postmaster General and British officials concerned be invited to come to Canada to continue discussions; and,

(b) that, prior to the renewal of negotiations, the Canadian Overseas Telecommunication Corporation secure, particularly from certain companies in the Maritime Provinces, all information with regard to cable and wireless operations that might be relevant to consideration of the various proposals.

. . .

655. **PCO**

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], October 7, 1953

. . .

TRANS-ATLANTIC TELEPHONE CABLE

17. *The Minister of Transport*, referring to discussion at the meeting of September 24th, 1953, reported that, following discussions with British officials, a draft agreement had now been prepared between the Canadian Overseas Telecommunication Corporation, the United Kingdom, and the American Telephone and Telegraph Company on the construction and operation of a trans-Atlantic telephone cable.

The draft provided for exclusive Canadian-United Kingdom use of six telephone and six telegraph circuits. COTC felt that Canadian interests would be adequately protected. The arrangements precluded the American Telephone and Telegraph Company from operating a micro-wave relay system except for transmission purposes from cable-head in Canada. There was no undertaking as to security and it would be necessary to employ a certain number of technical personnel on the system to meet, as far as possible, Canadian security requirements.

18. *In the course of discussion* it emerged that:

(a) The American Telephone and Telegraph Company had a charter, granted by the Secretary of State in 1927, for certain transmission purposes, but that further expansion of a micro-wave relay system other than that required for cable purposes would need a specific permit and it would, therefore, not be possible for the Company to enter directly into television and radio transmission.

(b) In order to ensure full security for messages, cypher telegrams would have to continue to be used.

(c) The COTC felt that, in the not too distant future, another cable would be required to meet increased demands for services.

19. *The Cabinet* agreed in principle to the signing of an agreement along the lines indicated by the Canadian Overseas Telecommunications Corporation with the Untied Kingdom and the American Telephone and Telegraph Company on construction of a trans-Atlantic telephone cable, but deferred final authorization of signature pending the formal submission of the draft agreement and consideration whether an Order-in-Council was necessary.

. . .

656. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], October 14, 1953

. . .

TRANS-ATLANTIC CABLE; AGREEMENT WITH UK POST OFFICE AND AMERICAN TELEGRAPH AND TELEPHONE CO.

33. *The Minister of Transport*, referring to discussion at the meeting of October 7th, submitted a recommendation for the conclusion of an agreement between the Canadian Overseas Telecommunication Corporation, the United Kingdom Postmaster General, the American Telegraph and Telephone Company and the Eastern Telephone and Telegraph Company, covering the construction and operation of a trans-Atlantic cable between the United Kingdom and the United States.

34. *The Cabinet* approved an agreement between the Canadian Overseas Telecommunication Corporation, the United Kingdom Postmaster General, the American Telegraph and Telephone Company and the Eastern Telephone and Telegraph Company covering the construction and operation of a trans-Atlantic cable between the United Kingdom and the United States via Newfoundland and Nova Scotia; an Order-in-Council to be passed accordingly.

(Order-in-Council P.C. 1953-1572, Oct. 14)†

. . .

CHAPITRE VIII/CHAPTER VIII

RELATIONS AVEC LES ÉTATS-UNIS
RELATIONS WITH THE UNITED STATES

PREMIÈRE PARTIE/PART 1

LE PRÉSIDENT EISENHOWER
PRESIDENT EISENHOWER

657. PCO/U-12

Le premier ministre au président des États-Unis

Prime Minister to President of the United States

Ottawa, January 20, 1953

Dear Mr. President:

Upon your assumption of the high office and heavy responsibilities of the Presidency of the United States of America, I wish to extend to you my heartiest congratulations together with my most sincere wishes for your success in the great task which lies before you.

My colleagues in the Government of Canada and I — indeed the Canadian people as a whole — remember with great pleasure and satisfaction our associations with you. Many thousands of my countrymen served in the Armed Forces of Canada with pride and, may I say, with affectionate devotion, under your inspired leadership as Supreme Commander of the Allied Expeditionary Force in Western Europe during the Second World War and, more recently, as Supreme Commander in Europe of the North Atlantic Treaty Forces.

Canadians have confidence that your guidance of the affairs of the United States, which has assumed the important role of leader of the free world, will be such as to promote international peace and security. The Government of Canada looks forward to working in continued close and friendly co-operation with the Government of the United States.

I hope I may before long have the pleasure of calling upon you in Washington and I can assure you of a most cordial welcome by the Government and people of Canada if you find it possible to maintain the happy tradition established by your predecessors in office by visiting Ottawa.

I would like also to extend to Mrs. Eisenhower and yourself all best wishes from my wife and myself for your health, success and happiness in 1953 and in the years to come.

L.S. ST-LAURENT

658. PCO/U-12

Le chargé d'affaires de l'ambassade des États-Unis au premier ministre

Chargé d'Affaires, Embassy of United States to Prime Minister

Ottawa, January 27, 1953

My dear Prime Minister,

The President has instructed me to acknowledge on his behalf your letter of January 20 extending your congratulations on his assumption of the Presidency.

I am to say that the President particularly appreciates your references to his past associations with yourself, your colleagues in the Government of Canada and the many Canadians who participated with such distinction in the struggle for Europe. The President looks forward with confidence to a continuation of the close and friendly relationships between Canada and the United States, which he feels can only deepen and broaden through the years.

The President also thanks you and Mrs. St. Laurent for your kind wishes and cordially reciprocates your hope that an early occasion may be found for the exchange of visits which you suggest.

Sincerely yours,

DON C. BLISS

2e PARTIE/PART 2

POLITIQUE ÉTRANGÈRE DE L'ADMINISTRATION EISENHOWER FOREIGN POLICY OF THE EISENHOWER ADMINISTRATION

659. L.B.P./Vol. 4

Note sur la conversation entre le secrétaire d'État des États-Unis et le secrétaire d'État aux Affaires extérieures

Memorandum of Conversation between Secretary of State of United States and Secretary of State for External Affairs

TOP SECRET Washington, February 15, 1953

1. Mr. Pearson met with Mr. Dulles informally at the home of the Canadian Ambassador on Sunday, the 15th February, 1953. This was Mr. Pearson's first meeting with the new Secretary of State since he took office. Those present for the United States Government were:

Mr. John Foster Dulles,
Secretary of State;
Mr. H. Freeman Matthews,
Deputy Under-Secretary of State;

and

Mr. John D. Hickerson,
Assistant Secretary for United Nations Affairs.

Those present for the Canadian Government were:

Mr. L.B. Pearson,
Secretary of State for External Affairs;
Mr. H. Hume Wrong,
Canadian Ambassador in Washington;
Mr. D.V. LePan,
Canadian Embassy, Washington.

General: Foreign Policy of the New Administration

2. Mr. Dulles said that, if there was a change differentiating the foreign policy of the new Administration in Washington from that of the previous Administration — and there was, though not possibly in major policy matters — it was to be found in this: that the Eisenhower Administration was determined not to leave the initiative in the cold war to the Soviet Union. To do so would give Stalin a great and gratuitous advantage since he could pick the time and place for new moves and since he would be left undisturbed in consolidating gains already made by the Soviet Union. It was President Eisenhower's policy to create situations which would worry the Kremlin by creating threats to Soviet influence at various points in the world.

3. The Eisenhower Administration was anxious to maintain and to improve consultation with the allies of the United States, and particularly with the United Kingdom, Canada and France. But consultation would be more useful and intimate if it were kept informal. It would be impossible for the United States Government to commit itself formally to consult with its allies before taking action in every situation, since such a commitment would give each of the allies a veto. If every move in this new policy which the United States might have to make had to be preceded by formal consultation leading to agreement, the United States and the Western alliance would have no other alternative but to react to moves as they were made by the Soviet Union. Indeed, it would probably be only in a moment of extreme crisis or danger that full agreement could ever be reached formally among all the allies on the necessity of a course of action which by then would have become self-evident.

4. Mr. Dulles recognized that the kind of policy he had described would, on occasions create difficulties both for the United States Administration and for friendly governments. He, for his part, did not wish to tell Congress that he was under an obligation to consult formally with the chief allies of the United States before embarking on any new move; and he might be pilloried on that score even though he fully intended to take the allies of the United States as fully as possible into his confidence. Similarly, political leaders in other countries would at times be unable to say that they had been formally consulted, even though, in fact, they had been informally told well in advance. United States action to deneutralize Formosa had already raised this problem in an acute form. Mr. Churchill and Mr. Eden had known what was proposed weeks before it was announced; but the Foreign Secretary had been unable fully to reveal this fact because, for one thing, the new Administration had not been in office when the information had been given. The

proper way around the difficulty, Mr. Dulles suggested, was to increase the amount of informal consultation. This had been one of the purposes of his recent visit to Europe; and he thought that political leaders there had been grateful for the way in which he had tried to let them know how he saw world problems. In the same way, he hoped to keep leaders of the Canadian Government fully informed on an informal basis of the views and policies of the United States Government. Mr. Pearson suggested that it might be difficult to create uneasiness in the Soviet Union without at the same time creating uneasiness among the allies of the United States; and then, to allay the anxiety so created, it might be necessary for statements to be made which would also have the effect of removing uneasiness in the Soviet Union. Mr. Dulles agreed that it would be difficult for a coalition of democracies to conduct such a war of nerves as President Eisenhower's policy would require. Almost certainly the difficulty would be increased by the activities of the press, which in all countries had a vested interest in putting about alarming stories that could only have the result of sowing distrust between the United States and its allies. Nevertheless, he hoped that the United States Government could rely on faith among its allies in its peaceful purposes and in its desire to seek them by sober and unprovocative means. It would be of great help if political leaders in other countries could try to increase this fund of confidence even on occasions when it might not be possible for them to explain fully United States plans and intentions.

The Far East

5. Remarking that the world picture seemed at present very forbidding, Mr. Dulles said that he thought Indo-China was probably to be regarded as the most critical point in the world today. It was easy and natural for the United States to think of Korea as more important, since American military forces were so heavily committed there. But there was little doubt that the line in Korea could be held; and, even if the worst came to the worst (which now seemed almost inconceivable), and Korea had to be evacuated, the consequences would not be catastrophic, though politically deplorable. In that event, Japan would have to be turned into an armed camp. But the repercussions would not spread much further than that. If Indo-China, on the other hand, were lost, the strategic consequences would be incalculable. Moreover, the drain on France caused by the war in Indo-China was perhaps the chief reason why the French were holding back from ratifying the EDC Treaty. It was therefore of the greatest importance that Indo-China should be held, and, further, that the war there should be brought to an end. Nor would it be a satisfactory solution merely to make arrangements so that the military power of the United States would be available to stem a Chinese thrust in Indo-China, since that would further weaken the strength of the alliance in the West. A large Chinese Communist army had for quite some time been poised in the south available for an attack on Indo-China. What was required was a situation which would deter the Chinese Communists from throwing their forces into the war in Indo-China, and, if possible, lead to the movement of some of those forces from North China and perhaps even from Korea as protection against a threat to their security from Formosa. That was the thinking which lay behind President Eisenhower's decision to order the Seventh Fleet no longer to prevent attacks from Formosa on the mainland of China. The

essential purpose of the order was to put the United States in a legal position where, if need be, it could encourage threats or feints against China as a means of preventing a Chinese incursion into Indo-China.

6. Mr. Dulles said that one of his problems in explaining and defending the recent decision over Formosa was to keep senators and congressmen in leash. At a meeting on the 12th of February of the Senate Sub-Committee on the Far East, he had laboured to convince senators that the Administration had no plans for any sensational military action. He thought that in large measure he had succeeded. But when he had commented on alarmist statements made by some of the senators, he had met with the rejoinder that they thought their statements would contribute to the psychological warfare he was waging. In his own view, his task would be lighter if he were allowed to conduct United States foreign policy without too much assistance from congressional leaders!

7. Mr. Pearson suggested that a similar problem was created by the statements made by Generals and Admirals. For example Admiral Radford[1] seemed to have created the impression that the United States Government was in favour of a naval blockade of China. Mr. Dulles said that from conversations he had had with Admiral Radford he thought that his views had been misinterpreted. Admiral Radford was of the opinion that a naval blockade was feasible; but, so far as Mr. Dulles knew, he had limited his comments to that. He was sure Admiral Radford thought that the question whether or not a blockade would be advisable, in view of the political complications it would entail, was for others to decide. However, Mr. Dulles agreed that probably some senators and congressmen had jumped to the conclusion that Admiral Radford was advocating a blockade — or even indicating that the Administration was in favour of it — when he merely stated that in his opinion it was feasible. Similarly, the answers which General Van Fleet[2] had given on the 10th February to questions put to him by the Associated Press should not be taken to mean that a new United Nations offensive in Korea was contemplated. As a military commander, he had hardly any alternative, when he was asked whether a general offensive could be successful at this time, but to express confidence in his troops by replying, "certainly". Commenting on General Van Fleet's statement, Mr. Pearson said that he was rather disturbed by the way a legend seemed to be growing up that the United Nations Command in Korea had been prevented from annihilating the enemy in 1951 by the cease-fire negotiations. As far as he was aware, these negotiations had never inhibited the United Nations Command from any operations which were considered to be militarily desirable. Mr. Dulles agreed with this view. He said that he personally was inclined to think that it had been a mistake not to pursue the enemy further in the Spring in 1951. But this decision had been taken not because of any action in the United Nations but purely as the result of

[1] Amiral Arthur W. Radford, marine des États-Unis, commandant de la flotte des États-Unis dans le Pacifique; président du Comité des chefs d'état-major à partir d'août.
Admiral Arthur W. Radford, United States Navy; Commander, United States Pacific Fleet; Chairman, Chiefs of Staff, (Aug.-)

[2] Général J.A. Van Fleet, commandant des forces des Nations Unies et de la République de Corée en Corée.
General J.A. Van Fleet, Commander, United Nations and Republic of Korea Army Forces in Korea.

military calculations in the Pentagon. There may have been differences of opinion between the military authorities in Korea and the military authorities in Washington; but the decision to consolidate the United Nations line where it now stands was the result of a military appreciation of the advantages and disadvantages of a further advance. To push further north would have shortened the Communist's lines of communication which were open to air attack; would have brought the United Nations forces within the range of enemy jet fighters based in Manchuria; and would have forfeited the advantages of the high ground along which the United Nations line now runs.

Resolution on Secret Agreements

8. Mr. Dulles volunteered that, in addition to the recent action to deneutralize Formosa, the Administration would be making a further move within the next few days which might cause some trouble for political leaders in allied countries. He was now engaged in drafting, along with a number of Republicans in Congress, the resolution forecast by President Eisenhower in his State of the Union message, when he said that he would recommend that Congress repudiate secret understandings which had permitted the enslavement of free peoples. In using those words, President Eisenhower had been speaking colloquially. The resolution on which Mr. Dulles was now working would be drafted in more exact terms. It would refer, not to *secret* agreements, since, in fact, most of the agreements which President Eisenhower had in mind became known very shortly after they had been negotiated. Instead, the resolution would probably refer to *private* agreements in order to distinguish them from treaties or agreements which had been submitted to the Senate. Nor would the agreements, as such, be denounced. The draft resolution would merely denounce distortions and misinterpretations of such agreements, particularly of the agreements made at Yalta. The resolution would not affect United States policy towards Soviet claims to Sakhalin and the Kuriles, as this had been made clear in the Japanese Peace Treaty. Care would also be taken not to disturb the legal basis for the position of the three Western powers in Berlin. So far as the Oder-Neisse boundary of Germany was concerned, the United States had for a long time taken the public position that the eastern boundary of Germany could be finally fixed only by a German Peace Treaty. It was Mr. Dulles' hope that such a careful and limited resolution as he was preparing would be adequate to satisfy congressional opinion on this matter. He stated frankly that in any case some such resolution had become virtually a political necessity.

Germany

9. On Germany, Mr. Dulles said that the situation there seemed to him very disturbing. The Soviet authorities were pushing ahead with the collectivization of the Eastern Zone and were reducing it more and more to the status of a satellite on the usual pattern. One result of the increased pace of this process was the large flow of refugees from the Eastern Zone now crossing into Western Berlin. Although it was impossible to be sure how properly to interpret this development, it could not help but create anxiety, since the Soviets would behave in precisely this way if they were planning a military attack on Western Germany.

EDC Treaty

10. When he was questioned by Mr. Pearson on the judgment he had formed during his trip to Europe of the chances of the EDC Treaty being ratified, Mr. Dulles said that he thought the odds were about 60 to 40 in favour of ratification. In Paris he had told M. Mayer that he had some doubts about the political tactics the French Premier was following in order to secure support for the Treaty and eventual ratification. Already M. Mayer had tried to appease the various bodies of opposition to the Treaty by drawing up elaborate protocols which might remove their objections. In Mr. Dulles' opinion, the danger of this course was that in three or four months' time, when the Treaty was being debated in the National Assembly, those opposed to it might bring forward new objections, attempts might have to be made to satisfy these objections, and these attempts would delay ratification still further. In London he had told Mr. Eden that the close association which the United Kingdom intended to form with the European Army and the European Defence Community seemed to go far towards meeting France's legitimate wishes on this subject, in so far as any government in the United Kingdom could meet them. He recommended, however, that Mr. Eden should be on the look-out for an occasion in a few months' time to draw together all the various links which the United Kingdom was prepared to establish with the European Defence Force and Community and present them in a single and dramatic form to France, wrapped up with a great deal of red ribbon.

NATO

11. On Mr. Pearson's initiative there was some discussion of whether the North Atlantic Treaty powers could assist in obtaining ratification of the EDC Treaty by extending the life of the North Atlantic Treaty from twenty to fifty years. In the Treaty signed between the United Kingdom and the EDC countries on the 27th May, 1952, the United Kingdom had undertaken to grant to the European Defence Community a more automatic security guarantee than that extended in the new protocol to the North Atlantic Treaty. Already the United Kingdom was coming under some pressure from France to alter this guarantee so that it would run for the full duration of the EDC Treaty, i.e. for fifty years. Obviously this request confronted the United Kingdom with considerable difficulty. Perhaps it might be easier for all the North Atlantic countries to extend the duration of the North Atlantic Treaty. Mr. Dulles said that he thought this idea was worth considering. One disadvantage, however, was that an amendment to the North Atlantic Treaty would be required and this would have to be ratified by the parliaments of all the signatories. Possibly, Mr. Pearson suggested, an amendment might be avoided by attaching to the Treaty a protocol in which all the signatories would express their intention of not denouncing the Treaty, under Article XIII, for fifty years. Mr. Dulles was of the opinion, however, that even such a protocol would require Senate ratification.

12. Earlier in the conversation, when Mr. Dulles had been expressing his desire for close informal consultation with the allies of the United States, Mr. Pearson remarked that he had always hoped that this could also be effected in the North Atlantic Council. For obvious [sic] during the past few months, the Council had been in the doldrums. In fact, he was inclined to think that its recent activities had been, if anything, less important than those of the Council Deputies. Mr. Pearson

hoped that Mr. Dulles would give consideration to the possibility of strengthening the role of the North Atlantic Council by making it one of the chief instruments for consultation between the United States and its principal allies.

General Assembly of the United Nations

13. Mr. Dulles said that he would like to pay a visit to the Assembly of the United Nations after it reconvened on the 24th February; but he did not wish his presence to give rise to a long vituperative debate. Mr. Pearson replied that, now it was known that Mr. Vishinsky was returning, a good deal of vituperation was inevitable, he was afraid. There were two possible interpretations of Mr. Vishinsky's decision to return. Either he was coming back to launch a new propaganda attack on the United States, in which he would direct most of his fire against the decision to deneutralize Formosa, and against co-operation between the Secretary-General and the United States Government in screening United States citizens on the secretariat. Alternatively, he might be coming to New York to put out feelers towards a peaceful solution of the war in Korea. However, in the light of recent Soviet moves throughout the world, it was very difficult to entertain the latter possibility.

14. Mr. Dulles confirmed that the United States would not be putting forward any new proposals on Korea in the General Assembly. They would be content to stand on the Indian Resolution.

15. In general, he hoped that, on this and other issues, the discussion in the General Assembly could be comparatively brief and routine. The new Administration had not yet had time to take firm positions on all the questions which might come before the United Nations and for this reason he hoped that the latter half of the present session could be run off expeditiously and in a minor key.

16. It was suggested by Mr. Hickerson that in order to give Mr. Vishinsky as limited scope as possible for making effective propaganda, it might be possible to open the resumed sessions of the Assembly without a plenary meeting and possibly even without a meeting of the General Committee. Mr. Pearson thought this might be difficult since new items might be proposed for the agenda and, if added, these would have to be assigned to committee. Nevertheless, he would see what he could do to avoid a plenary meeting or even a meeting of the General Committee at the outset of the resumed session. Mr. Dulles said that he very much hoped this could be arranged. In any event, Mr. Pearson said that, if an opening plenary meeting became necessary, he would try to rule out of order any attempt that might be made by Mr. Vishinsky to deliver a propaganda tirade. On the other hand, it must be recognized, he added, that there would be plenty of opportunities for Mr. Vishinsky in Committee to lay down the kind of barrage that he no doubt was meditating.

17. Some consideration was given to the possibility of having a discussion of the personnel policies of the Secretary-General in Plenary without the General Assembly passing any resolution on the subject. Mr. Pearson said that he would favour such a procedure. But it had rarely, if ever, been possible in the Assembly to dispense with a resolution; and he was doubtful whether it could be managed in this case. Mr. Hickerson agreed, but thought that such a procedure was at least worth trying.

18. Touching on the resignation of Mr. Lie, Mr. Pearson said that he hoped that action to appoint a new Secretary-General could be taken before the present session of the Assembly came to an end. Mr. Hickerson said he agreed that this was highly desirable.

United Kingdom Proposals for a Collective Approach to Convertibility

19. Mr. Pearson said that he thought the United Kingdom Government had shown very considerable imagination and courage in putting forward these proposals, which would require unpopular domestic measures in the United Kingdom as well as in other countries, if they were to be successful. One encouraging conclusion which had been reached by the Canadian Delegation to the Commonwealth Economic Conference was that the United Kingdom authorities were now convinced of the weakening and damaging effects of long-continued import restrictions. Mr. Dulles revealed that a memorandum outlining the United Kingdom proposals had been given to him on Friday, the 13th February, by Sir Roger Makins. He had not yet had an opportunity to study the memorandum, but it seemed both full and clear. Mr. Pearson gave Mr. Dulles an assurance that, if the proposals commended themselves to the United States Government, and if it were decided in Washington to support them, the Canadian Government would also be willing to do its part in making them a success.

St. Lawrence Seaway

20. There was now widespread expectation throughout Canada, Mr. Pearson explained, that the building of the Seaway would go forward without delay. An election was likely to be held in Canada some time this year. It would be disappointing if by that time all the clearances necessary from the United States Government had not been secured. At the present time the Federal Power Commission was considering an application from the State of New York to co-operate with the Ontario Hydro-Electric Commission in building the installations necessary for the power development. As soon as the Federal Power Commission had handed down a ruling favourable to the application from the State of New York, the Canadian Government would be glad to consult with the United States Government on means whereby the Seaway could become a joint undertaking between Canada and the United States, provided that these consultations did not involve further delays. The important thing at the moment, however, was to secure a favourable ruling from the Federal Power Commission. Mr. Dulles said that he was not fully acquainted with this subject, but he asked Mr. Hickerson to take note of the representations Mr. Pearson had made.

Visit of Mr. St. Laurent to Washington

21. When Mr. St. Laurent visited Washington, Mr. Pearson said, he would no doubt want to discuss foreign economic and commercial policy with President Eisenhower. It was also possible that he would want to consider with the President the possibility of making a new agreement on principles of defence co-operation between the United States and Canada. Within the last few weeks a request had been received from the United States Government for permission to build three experimental early-warning radar stations in the Canadian far north. If they proved

successful, the United States Government hoped that an extensive chain of radar stations could be constructed across the continent at the same latitude. The Canadian Government had received this initial request sympathetically. But it was felt that the time had perhaps come to examine again in a comprehensive way all the problems of joint Canadian-United States defence of North America, especially Arctic problems. A statement of principle on this subject had been drawn up in 1946,[3] but circumstances had changed so materially that it should be reviewed, possibly enlarged, and brought up to date.

Publicity

22. Before leaving Mr. Dulles said that he would have no objection if Mr. Pearson said on returning to Ottawa that, while he had been in Washington, he had seen the new Secretary of State and had had an informal discussion with him at the home of the Canadian Ambassador.

3e PARTIE/PART 3

RENCONTRES ENTRE LE PREMIER MINISTRE ET LE PRÉSIDENT
MEETINGS BETWEEN THE PRIME MINISTER AND THE PRESIDENT

SECTION A

WASHINGTON, D.C., 7-9 MAI 1953
WASHINGTON, D.C., MAY 7-9, 1953

660. DEA/50311-40

Note

Memorandum

SECRET [Ottawa], May 6, 1953

INTERNATIONAL ECONOMIC PROBLEMS

In recent years preservation of the peace has depended upon the close political co-operation of the countries of the western world under the leadership of the United States. This leadership has been strengthened by the statements of United States aims in President Eisenhower's Inaugural and State of the Union messages. More recently, the President's comprehensive statement on the settlement of outstanding issues between the countries of the western world and the Soviet Union has given new hope to those who work for a real and enduring peace.

With the United States assuming both the moral and material responsibilities of leadership, actions have been taken which contribute to political co-operation and common defence. Through self help and assistance from the United States and Canada, the physical reconstruction of war-torn economies has been largely accom-

[3] L'année exacte est 1947.
The correct year is 1947.

plished. Through the United Nations, armed aggression has been resisted. Through NATO the nations of the Atlantic Community have provided effective machinery of co-operation and are building a strong shield against aggression. Through the development of common institutions, such as those for the coal and steel industries and for defence, the countries of Western Europe are achieving increasing unity and strength. These accomplishments express the determination of the free peoples to maintain their security. In these efforts Canada has taken its part.

The question we must ask ourselves is — do these great accomplishments respecting our political unity and security rest on an adequate foundation? There is increasing evidence that they are being endangered by the crucial inadequacy of policies affecting international economic relations. The co-operation and unity of purpose of countries of the free world in the political and defence fields have not been matched by the establishment of sound economic relations among them. This situation is even more disturbing in the light of recent developments in Soviet policies and tactics. The Canadian Government has been increasingly concerned over the continuing weakness and precarious nature of the international economic structure upon which our political and military co-operation is built.

Economically the free world remains divided within itself into dollar and non-dollar groups. The trade between these groups is limited by barriers and restrictions more complex than anything we have had in the past. Over a large part of the world discriminatory restrictions are the rule rather than the exception. The currencies of one group are not convertible into the currencies of the other. The international flow of private capital between them is at a minimum. Travel between the free countries is restricted by exchange controls. The consequences of this situation are becoming increasingly dangerous. The free world is failing to use its economic resources efficiently at a time when heavy burdens must be borne for the common defence. Efforts to achieve further increases in production and improved standards of living in many countries are frustrated by lack of markets and the inability to purchase sufficient raw materials and foodstuffs. During the past year economic output in Western Europe has failed to expand.

The economic and financial policies associated with the existing systems of trade restriction and currency inconvertibility do not contain the elements of a solution. Unless a joint effort is made to change the direction of affairs it is unlikely that the countries pursuing these policies will ever find their way back to freer trade and currency convertibility. On the contrary, the evidence indicates that the prolonged use of the existing policies aggravates the underlying difficulties because they provide the wrong economic incentives and lead to an inefficient use of resources. The continued weakness of many economies is manifest in the repeated financial and trade crises which have occurred in recent years. For some time the fabric of international economic relations has been held together through the provision of special assistance, improvised measures and other expedients. It would appear that the value of expedients is being rapidly exhausted.

The unsatisfactory condition of international economic relations, the dangers and weaknesses resulting therefrom, are matters which are now in the forefront of our common problems. They are a challenge to the vitality and endurance of our

free societies. Concerted and determined efforts to build a stronger economic framework cannot be long postponed without grave risks to our common security and prosperity.

A further reason for early action is that constructive developments are already taking shape overseas. Many of the countries in the non-dollar area have themselves re-examined the bases of their economic policies. They have become convinced that a change in direction is necessary in the interests of both their own welfare and the unity of the free world. At the recent Commonwealth Economic Conference, in which the Canadian Government participated, the economic problems of the free world were examined from a wide and constructive viewpoint. The Canadian Government was impressed by the desire and determination of the sterling members of the Commonwealth to work toward the progressive achievement of an expanding, more prosperous and more united economy throughout the free world. These discussions have resulted in certain concrete proposals which have been discussed with representatives of the United States Government. If these initiatives are met with a ready and co-operative response in the United States, these countries will be encouraged to move in the direction of freer trade. If the response is not encouraging, it is likely that other voices will be heard. The Canadian Government strongly hopes that the close attention which the Government of the United States has undertaken to give to these proposals, and to possible alternative courses of action designed to achieve the same ends, will lead to early and positive results.

It is clear that any effective effort to remove the existing divisions and barriers between the economies of the free world, through the re-establishment of multilateral systems of trade and currencies, will entail many adjustments in both debtor and creditor countries. These aims, and the adjustments which they involve, can only be accomplished through a collective effort in which the debtors and creditors assume the roles and responsibilities which are appropriate to their circumstances. In such a collective effort not only the participation but the whole-hearted co-operation of the United States is indispensable.

Even if the United States were not the political and military centre of the free world the nature of United States commercial policy in its widest aspects would have a decisive role in the development of the collective effort which is required. This follows inescapably from the size and strength of the United States economy and from its predominant position as the principal creditor in world payments. The debtor countries also have important adjustments to make in their economic and financial policies. These adjustments, however, cannot, without adequate and appropriate action by the United States, bring about the improvement in economic relations which is necessary for maintenance of our common prosperity and defensive strength.

The adjustments in United States commercial policy which would appear to be desirable, have been widely discussed both inside and outside the United States. Many proposals have been advanced, some of which are extreme. We understand fully that extreme changes are not practical; nor, in our view are they necessary. What seems to us to be required is a significant purposeful and timely advance in

the removal of barriers and uncertainties so as to provide reasonable opportunities for mutually advantageous trade with other countries to widen and expand. The adjustments which are needed in the present circumstances are very largely a logical extension and a fulfilment of measures which the United States itself has pursued and advocated for many years. The further progress which is sought is in harmony with both the general national interest and the international political realities of today.

There have been in recent months a number of careful studies in the United States pointing to the specific steps which might be taken to reduce barriers to trade. Without going over all this ground in detail, we have thought it useful to indicate some of the directions in which adjustments in present United States trade policies would be particularly helpful.

Perhaps the most important single step from a practical point of view would be the development of an effective programme for the gradual reduction of excessive tariff barriers. The United States, Canada and other countries have, since the end of the war, made significant progress to reduce their tariff levels on a large list of goods. This process, however, has not gone far enough. Despite the many reductions already made, experience has shown that there remain wide categories in the United States tariff where the rates are formidable or insurmountable. Having regard to the strong creditor position of the United States an improvement in this situation is all the more necessary.

Another feature of present United States tariff policy which has proven particularly troublesome is the uncertainty that flows from the numerous escape clauses which surround the existing laws. There is a widespread feeling among traders that successful efforts to sell in the difficult United States market will be countered by increases in tariff rates whenever there are signs of real competition. Greater certainty in tariff treatment would encourage other countries to undertake the necessary efforts and expense to build up their markets in the United States. The deterrents resulting from continuous uncertainties in tariff treatment constitute a serious barrier to the expansion of trade.

A further series of trade obstacles, often more restrictive than the tariff itself, are the highly complex and outmoded customs procedures and administrative barriers associated with the formalities of importation. The position in the United States regarding this matter has been the subject of numerous complaints by Canadian exporters, as well as by exporters of many other countries. Customs valuation procedures render it extremely difficult for manufactured goods to make their way into the United States market from abroad. The early passage of a Customs Simplification Bill would introduce reforms which are long overdue in the field of customs valuation. It would fulfil commitments entered into by representatives of the United States almost six years ago, and make a timely and valuable contribution to our common objectives of expanding world trade. It is encouraging to note that the President has recommended early action on this matter.

Much attention has been directed to the restrictive effects of the "Buy America" Act. Because of the requirements of this legislation outside suppliers are often denied access to an important segment of the American market, even though they

have proved themselves to be fully competitive. The relaxation of the provisions of this Act would be of material assistance in promoting mutually advantageous trade with friendly countries, and at the same time make possible substantial savings in public expenditures.

High restrictive and protectionist policies in the field of shipping continue to hamper the efforts of overseas countries to expand their dollar earnings. Effective economic co-operation would seem to require that countries be encouraged to expand their efforts in fields where they are particularly efficient. Shipping is clearly a field where we in North America are not as competitive as many of our overseas trading partners. In the interests of our common strength and prosperity, the liberalization of shipping policies, consistent with the maintenance of vital security interests, would constitute a valuable step in achieving better allocation of the resources of the free world.

The Canadian authorities appreciate that the formulation of long-term foreign economic policy in the United States in respect of these and other matters is a considerable task encompassing many difficult issues and calling for the most careful study. We in Canada have been encouraged by the recent steps taken to initiate comprehensive studies of all the issues involved. We are hopeful that these studies will lead to constructive results. In this connection the Canadian Government wishes to emphasize the importance it attaches to moving forward as expeditiously as possible. In its view there is at this time a real opportunity for a decisive move towards freer trade and currency arrangements. Overseas countries are showing a genuine desire to break out of the restrictive ring that surrounds them and divides the free world. At the same time there is evidence that the balance of opinion in deficit countries in favour of more liberal policies is precarious and can easily be upset by excessive delays or fear that the United States is unwilling to co-operate in a common effort to improve trading relations. For this reason we believe that it is of the greatest importance that the United States administration should give, as soon as possible, clear evidence that it would be willing to play its full part in a collective approach to strengthen the economic foundations of the western alliance.

In recent months another danger has appeared more plainly. The recent moves of the Soviet Union indicate clearly that it intends to exploit to the full any weaknesses and divisions in the economic structure of the free world. A situation in which our world remains economically divided and where expansion in output is frustrated by lack of access to markets and inability to purchase raw materials and foodstuffs, provides the Soviet Union with the maximum opportunity to hold out the lure of alternatives. The ultimate aim of the Soviet Union is, of course, to weaken our political unity and our defensive strength. It is significant that recently in Geneva and elsewhere the Communist countries have followed up their political moves with a trade offensive whereby they dangle attractive-looking promises of trade in precisely those goods which our overseas allies are having difficulty in selling in the United States market.

The Canadian Government understands that it is the desire of the United States administration to continue present trade policies pending the outcome of the comprehensive studies which are now in progress. In this connection we have noted the

President's request to Congress that as an interim measure the Reciprocal Trade Agreements Act be extended for a period of one year. Numerous developments in the meantime, however, raise the fear that the commercial policy of the United States is in serious danger of being altered in a fundamental way before the process of formulating a new foreign economic policy has been completed. The Canadian authorities are gravely concerned lest the adoption of some of the restrictive proposals now under consideration have the effect of seriously prejudicing future policy.

In connection with the proposal to extend the Reciprocal Trade Agreements Act for one year, it is understood that Congressional Hearings are now taking place on a Bill which, if adopted, would lead immediately to a grave deterioration in trading relationships between the United States and its partners in the free world. This Bill, and others, contain provisions to impose restrictions on the import of petroleum and to increase the tariff rates on lead and zinc. New and wider escape clauses and peril point provisions are also introduced. In the field of agriculture it is understood that proposals are now under consideration which would have the effect of applying sweeping new policies of import controls on a number of important agricultural products of interest to many countries in addition to the import controls now in effect. Many, if not all, of these restrictive proposals are directly contrary to the undertakings of the United States under present trade agreements.

While these proposals have not been implemented thus far, they constitute serious danger signals. If these proposals are allowed to develop, they would destroy the opportunities for progress which now exist. They would cause a serious deterioration in present economic relations with grave consequences for all the countries of the free world. Such a development would be looked upon as an abandonment of United States leadership in the vital sphere of economic relations. It would lead to a multiplication and further extension of trade and currency restrictions which cannot fail to have a serious impact on the welfare and security of the free world.

It is necessary in this connection to refer more specifically to the implications for the future of Canada-United States relations of the restrictive proposals now under consideration in Congress. The Governments of Canada and the United States are associated at present in a wide variety of cooperative enterprises designed to contribute, not only to the strength of North America, but also to the strength and prosperity of the entire peace-loving world. This co-operation has been especially close and effective in matters of trade and finance. Both countries have fostered the development of mutually profitable trade and for some decades now have attempted to solve their trade problems, not by restrictive measures, but by the progressive reduction of barriers to trade. Under these policies our mutual trade has risen to unprecedented heights so that today the commerce which crosses our common border is greater than the trade between any other two countries. Each country is by far the other's best customer. Along with this trade there has developed a close and extensive relationship over the whole field of economic, financial and industrial endeavour.

If the restrictive proposals such as those now under discussion in the United States were adopted, it would lead unavoidably to a reversal of many years of solid

progress in the development of mutually advantageous economic relations. Such a reversal would have a serious and direct impact upon large and important industries in both countries. It would lead to an inefficient and wasteful use of resources and weaken the basis of our economic and defensive strength.

One example illustrative of a possible trend will suffice to indicate the dangers inherent in the restrictive proposals now being advocated. In the past few years Canada, as part of an effort to improve our combined strength, undertook to expand the output of base metals, including lead and zinc. Proposals now before Congress provide for higher duties on lead and zinc which would be increased further if the prices of these commodities decline. This would have the effect of making Canada a marginal supplier, so that the full brunt of any price adjustments would fall on Canadian producers. When the United States is again short of lead and zinc, it might be very difficult to persuade Canadian producers again to take the risk of serving as marginal suppliers to the United States. Other proposals to increase restrictions against Canadian goods, including petroleum, oats and other agricultural products, would have similarly damaging effects and in this way weaken the fabric of both the United States and the Canadian economies.

For years now Canada has consistently sought to follow liberal policies in its trade relations. Canada has resisted getting entangled in regional trade and currency arrangements of the kind that are bulwarked by discrimination against the United States, because we are convinced that sound economic relations cannot be built on discrimination and regionalism. The Canadian Government is firmly convinced that it is desirable to continue these trade policies in the interests of both our countries. Its ability to do so is dependent upon the conviction that the United States will follow a similar course. If, however, fresh restrictive measures were imposed in the United States against Canada's basic exports, it would be increasingly difficult for Canada to maintain these liberal, multilateral trade policies and to continue to resist pressure for restrictions and discrimination against the United States.

The world has in the past experienced the consequences of failure to maintain satisfactory international economic relations. We have seen during the 'thirties a spreading paralysis of our economic life and the deterioration in our political relationships which have accompanied a breakdown in world trade. Experience of that period has shown that no single country, no matter how powerful, can be safe and prosperous in isolation. Political cooperation is not possible without economic cooperation. If this has been so in the past how much more so is it today when we are confronted with a shrewd and powerful adversary determined to reduce our strength — eager to exploit every weakness.

It is because we are convinced that more liberal international economic policies are essential to the success of our joint efforts for resisting this threat, for achieving peace and building the sound prosperity of the free world, that we have felt compelled to put forward these views and to point to the real dangers inherent in the present situation. We are confident that the United States Government, aware of the seriousness of these matters, will take advantage of the opportunity which now exists to provide the leadership necessary to move forward towards more satisfactory economic relations. We in Canada have consistently supported all measures leading

to maximum cooperation between us. Like the United States, we have made substantial aid available to help our allies regain their economic health and to build up their defences. Canada can be counted upon to play its full part in partnership with the other free nations in the collective efforts necessary to establish better economic relations. These we regard as basic to the maintenance of peace, and the solidarity, security and prosperity of the free world.

661. L.B.P./Vol. 36

Compte rendu des conversations entre le secrétaire d'État aux Affaires extérieures et le Département d'État des États-Unis

Report of Talks between Secretary of State for External Affairs and Department of State of United States

SECRET [Washington], May 8, 1953

THE VISIT OF THE PRIME MINISTER OF CANADA TO WASHINGTON, MAY 7 TO MAY 9[4]

Mr. Pearson saw the Deputy Under-Secretary of State, Mr. H. Freeman Matthews, and the Assistant and Deputy Assistant Secretaries for European Affairs, Messrs. Livingston Merchant and James Bonbright, at the State Department, to discuss some of the major current Canadian pre-occupations in the field of foreign affairs of mutual concern to Canada and the United States. The talks dealt with the situation in Indo-China and Korea, United States commercial policy, the St. Lawrence canal and power projects, Continental defence, and NATO.

2. On Indo-China, Mr. Pearson referred to an appreciation of the situation in Indo-China given by the President to the Prime Minister at the meeting at the White House earlier in the day, when the President thought that the chances of the French succeeding in maintaining their position in Indo-China were poor, unless a dramatic move was made to obtain the support of the native population. Mr. Matthews said that the State Department certainly agree with that view, but added that the immediate situation could be improved substantially if the French could show at least some military success. He was able to throw little light on the immediate military situation in Laos, which according to press reports, had improved on account of withdrawals by the Communist forces, apparently for the purpose of shortening lines of communication in view of the impending Monsoon weather.

3. Mr. Pearson then referred to comments made by Mr. Dulles earlier in the day to the effect that in his judgment the threat to South-East Asia was more important in terms of the global struggle with Soviet imperialism than the fight in Korea but that the two were sectors of the same front. Mr. Pearson said that it would be difficult, he thought, for the Canadian public to accept such an assimilation politically,

[4] Notre copie du document porte le paraphe:
This copy of the document was initialled:
L.B. P[earson]

unless there was some United Nations verdict which transformed what still seemed, to some extent at least, to be a struggle against French colonial control into an international security issue. Mr. Pearson observed that the French seemed strongly opposed to submitting the Indo-Chinese question to the United Nations. Mr. Pearson mentioned that Mr. Dulles had thrown out the idea that perhaps the United Nations Peace Observation Commission machinery might be used in Thailand to reassure the Thai Government by giving evidence of United Nations interest in the security of this country against attack by Communist forces in Indo-China.[5] Mr. Pearson said that he would like to examine this idea further.

Korea

4. Mr. Pearson said that the news about the new proposals made from the Communist side for resolving the prisoners of war issue in the armistice negotiations seemed encouraging, though there were still some aspects of the negotiations which seemed to him to leave room for doubt as to an early armistice. On a first reading of the new proposals, it seemed that the Communists had made an important concession by withdrawing their insistence that the prisoners of war who reject repatriation, should be physically moved to a neutral country, but instead they now proposed that they be allowed to remain in Korea under the control and supervision of the representatives of five neutral governments. Mr. Matthews said that this move was encouraging, though he saw some difficulties in the proposal. He thought that the United States would find it difficult to accept the idea of having Polish or Czech forces sent to Korea to police the unrepatriable prisoners; on the other hand, the Communists might agree to having the custodial forces provided entirely by one or other of the neutral states, say India. Mr. Pearson said that a possible alternative solution might be the demilitarization of the camps leaving the existing United Nations forces there for guarding, but placing them under neutral supervision. Another difficulty mentioned by Mr. Matthews was the apparent insistence on the Communist side that the ultimate disposition of the unrepatriable prisoners of war should be left to the political conference which is to consider a political settlement for Korea. This was the real remaining stumbling block.

5. Mr. Pearson said it was important that every effort should be made to try to attain an agreement on an armistice. Once such an Agreement is in effect, he thought that the problem of the unrepatriable prisoners might become less difficult as some of the prisoners who now refused repatriation, might decide to go home voluntarily. Mr. Matthews agreed that the main difficulty would be the hard core of

---

[5] Notre copie du document porte l'annotation dactylographiée :
The following was typed on this copy of the document:
Under the "Uniting for Peace Resolution" adopted by the General Assembly in November, 1950, the procedures for establishing the Peace Observation Commission are as follows:
"Upon the invitation or with the consent of the State into whose territory the Commission would go, the General Assembly, or the Interim Committee when the Assembly is not in session, may utilize the Commission if the Security Council is not exercising the functions assigned to it by the Charter with respect to the matter in question. Decisions to utilize the Commission shall be made on the affirmative vote of two-thirds of the members present and voting. The Security Council may also utilize the Commission in accordance with its authority under the Charter."

approximately 14,000 Chinese Communist prisoners; the UNC would gladly release the North Koreans.

6. Mr. Pearson said that it seemed to him that the United Nations Command should take pains to convince world opinion of the sincerity of its desire to reach an armistice agreement. The current Communist tactics in the negotiations at Panmunjom could be explained either by a genuine desire to have an armistice in Korea or to put the United States in a position of appearing to be responsible for the negotiations breaking down by making concessions on the assumption that it was safe to do so because the Americans were unalterably opposed to any armistice. Now that the differences on the prisoners of war issue between the two sides seemed to be so narrow, the public in Canada would certainly expect to see every possibility explored of reaching agreement. There had been considerable concern in Canada at some of the tactics used by General Harrison in the current negotiations, although perhaps it could be argued that they may have been justified by the recent results. Mr. Pearson said they were disturbed and surprised to hear from Mr. Dulles during the morning meeting that the United States Government had been on the point of breaking off the negotiations at Panmunjom; he was unaware that the Canadian Government had been warned of this intention. Mr. Matthews said that perhaps there had been a misunderstanding about what Mr. Dulles had said. Actually General Harrison's instructions required him to refer back to Washington before taking any action to break off armistice negotiations; he was only at liberty to ask for a recess of the talks for two or three days. This was what Mr. Dulles had in mind. Mr. Pearson said that he was glad to have this explanation which was reassuring. Mr. Matthews went on to stress that despite impressions which may have been given by certain public statements in the United States, such as those of General Van Fleet, all senior responsible officials of the Administration, both military and civil, were earnestly desirous to obtain an armistice. All the three alternatives to an armistice were definitely disagreeable:

(a) evacuation of Korea;

(b) continuation of the stalemate; or

(c) increased military pressure.

7. The discussion on the Korean armistice negotiations concluded with Mr. Pearson emphasizing that it was the assumption of the Canadian Government that all countries which had contributed forces to the United Nations command in Korea would be consulted in the event that the United States contemplated breaking off armistice negotiations. Mr. Matthews appreciated this desire and assured Mr. Pearson that it was the earnest desire of the United States Government to try to reach agreement on an armistice in Korea.

8. Mr. Pearson asked whether the State Department had made any plans for a post-armistice political conference. He said that as President of the United Nations General Assembly, it was especially important that he should have the views of the United States Government on the timing, terms of reference and composition of the conference which, under the terms of the armistice, would have to be called to consider a political settlement in Korea. Mr. Matthews said that there had been no decisions on this matter since the new Administration had taken office; nor had the

question yet been explored with the Secretary of State himself. Mr. Matthews said that it was his understanding that the terms of reference for the conference would include those Far Eastern questions which were "directly" related to Korea. He did not elaborate on the effect of this limitation. As to the composition of the conference, various possibilities were briefly discussed, including the establishment by the General Assembly of a negotiating committee representative of United Nations members which had contributed forces to Korea, so-called "neutral" members of the United Nations as well as the Communist belligerents. It was Mr. Matthews' understanding that the USSR would be invited to be represented at this conference, whatever may be decided about the other members. Mr. Pearson emphasized the importance of making plans for such a conference in advance, as it would be necessary for the United Nations General Assembly to be in a position to take some action on the matter, at least within three or four weeks after the conclusion of a military armistice.

9. There was also a discussion of the attitude of President Syngman Rhee towards an armistice in Korea. Mr. Pearson asked whether the State Department expects trouble from the Republic of Korea over the acceptance of an armistice. Mr. Matthews said that from both private and public statements, it was evident that the Republic of Korea was going to oppose agreement on a military armistice unless the unification of Korea is provided for before the fighting stops; perhaps some of this opposition represented a bargaining position. The United States authorities were in constant communication with President Rhee and his government and would do their best to forestall a crisis. The difficulty was that there was no political leader available in the Republic of Korea who might replace Syngman Rhee.

United States Commercial Policy

10. Mr. Pearson drew the State Department's attention to the public concern in Canada over some aspects of United States commercial policy in his talks with Messrs. Matthews, Livingston Merchant and Bonbright. He explained that this was going to be discussed by the Prime Minister with the President, but he would like to emphasize its current and potential effect upon the relations between Canada and the United States. He referred to the resolution, unanimously approved by the House of Commons on May 6, as reflecting public concern in Canada about the restrictions already imposed by the United States on the importation of Canadian agricultural products in violation of the General Agreement on Tariffs and Trade. Mr. Pearson also spoke of the potential danger to the relations between the two countries generally, if further protectionist policies develop in the United States. The quotas imposed on the import of dairy products were already a source of public concern in Canada. If now that restrictions might be increased on the import of oats as well as upon certain base metals such as lead and zinc there would be real trouble. Only two years ago Canada had been urged to expand its production of lead and zinc as a contribution to the rearmament programme. A higher tariff on lead and zinc, therefore, would not only impair trade relations, but leave a bitter feeling in Canada.

11. The Canadian Government, Mr. Pearson said, also approached the problem in terms of its broader international implications. The effort now being made by the

British Government to reduce restrictive barriers to trade, would if given encouragement and support by the United States, open the way to a more general movement towards a reduction of trade barriers. It was the hope of the Canadian Government that the initiative of the United Kingdom Government would have the sympathetic support of the United States Government. If, on the other hand, the United Kingdom Government found an unsympathetic attitude in Washington to their efforts to liberalize trade, they might well be obliged to return to more restrictive trade practices and Canada would find itself at a serious disadvantage in trade, both in the United States and the United Kingdom markets. Present trends in United States commercial policy were not encouraging. For instance, in order to maintain the domestic price support programme in agricultural products, the tendency seemed to be to impose further restrictions on the import of agricultural produce from abroad. There was also the considerable apprehension about the effect of crippling amendments to the renewal of the reciprocal trade bill.

12. Mr. Livingston Merchant said that in his opinion the reciprocal trade bill would be extended for one year without serious change through amendment, as the President had asked. He also said that it was natural that the new Administration should wish to review in detail the commercial policy based upon the Reciprocal Trade Agreement Act, even though this was admittedly rooted in a position which had been given bipartisan support in the past.

13. Mr. Pearson concluded by saying that he hoped that he would hear something more reassuring before the Prime Minister left Washington. The Canadian Government had been encouraged by the evidence of change in British trade policies, reflected not only in the talks which had taken place when Mr. Butler had visited Ottawa and Washington, but also in the recent British budget. It was most important in the Canadian view that the United States should now help to work towards a broader international programme for the removal of trade barriers. Mr. Pearson feared that if the current trends towards restrictive trade practices by the United States resulted in action, opinion in Canada would tend to lay a large, and perhaps not altogether deserved, measure of blame upon the United States. He could not agree that time could wait upon events. He feared that the situation might deteriorate within the next six months if the situation were allowed to drift. Action by the United States Government might involve not only further bilateral discussions with Canada, but also consultations with the British and other Governments concerned. In the meantime, the Prime Minister would leave a memorandum with the President setting out Canadian Government views on this subject.

St. Lawrence Canal and Power Project

14. Mr. Pearson also stressed the important impact upon Canada-United States relations of the St. Lawrence project. He hoped that it would be possible to remove the remaining obstacles to proceeding with the development of power by the Province of Ontario as soon as possible. Mr. Pearson said that he had understood from the President's remarks at luncheon that a favourable decision was expected shortly from the Federal Power Commission on the application from New York Power Authority for a license. He hoped that this decision would not be challenged in the

courts and that prolonged litigation would not further postpone work on the development of power.

15. Mr. Pearson explained that, as in the case of United States commercial policy, long delay over the St. Lawrence project through United States inaction might be injected into the election campaign in a way which might adversely affect the relations between the two countries. He hoped that the remaining obstacles to the development of power in particular would be removed before the elections, for the Canadian public was becoming increasingly impatient at the delays and frustrations which appear to them to be caused by the United States Congress or administrative bodies.

Continental Defence

16. In his talks with Mr. Matthews, as well as with Mr. Livingston Merchant, Mr. Pearson took the occasion to explain certain Canadian pre-occupations about United States requests for facilities in Canada for continental defence. He pointed out that in order to meet North Atlantic Treaty commitments, the Canadian Government had moved virtually all its modern jet fighter aircraft to Western Europe, and that only reserve squadrons would be available for home defence until the new CF-100 become available in quantities and new squadrons are manned with them at the end of this year. In view of the temporary shortage of Canadian fighters available for home defence in Canada, Mr. Pearson wanted the United States authorities to realize that requests from the United States Government to station further squadrons of the United States Air Force in Canada might create political difficulties.

17. Mr. Pearson also mentioned the problem of the installation of radar stations. While the experimental radar stations which were planned for the Far North should not present much difficulty, Mr. Pearson said that he would like the United States authorities to bear in mind that United States manned facilities and installations, located near centres of heavy population in Canada, do present political difficulties. Mr. Pearson expressed the hope that United States officials would bear these Canadian pre-occupations in mind in connection with defence projects such as the joint study which has been set up to look into "Project Counterchange".

NATO

18. There was a brief discussion with Mr. Livingston Merchant, the Assistant Secretary for European Affairs, on the recent Ministerial NATO Council meeting in Paris. Mr. Merchant agreed with Mr. Pearson that the recent meetings had been successful, largely owing to the improved preparatory work done under the direction of the Permanent Representatives with the help of the NATO Secretariat. The State Department officials said that they were pleased with the accomplishments of the meeting, especially because of the unanimity reached in the discussion of recent trends in Soviet policy. They were rather concerned about the bad publicity for the meeting in the press of the United States. Mr. Pearson said that he was not so worried about the extent of publicity, so long as it was not too unfavourable to NATO. It could not be expected that successive Ministerial meetings should produce dramatic news. Turning to the future, Mr. Livingston Merchant said that he foresaw that the next annual review would be very important, as it would have to take into

account the new approach which had been discussed at the last Ministerial meeting of levelling out the build-up of military strength and dropping the concept of the "critical year". Mr. Merchant asserted that this new approach would not mean any substantial reduction in terms of fighting strength either in armed forces or equipment, insofar as the United States defence contribution was concerned.

662. DEA/50311-40

Extrait d'une dépêche de l'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Extract from Despatch from Ambassador in United States to Secretary of State for External Affairs

DESPATCH 989 Washington, May 13, 1953

SECRET

RECORD OF DISCUSSIONS BETWEEN THE PRIME MINISTER AND PRESIDENT EISENHOWER

I enclose three copies of the record which I have made of the two meetings held in the President's office at the White House on May 7th and May 8th. It had been decided in advance that it was unnecessary to produce agreed minutes of these talks. Mr. Livingston Merchant has also made a record for use by the United States authorities, and we have compared our versions to see that there were no important discrepancies. The enclosure incorporates some points which were included in Mr. Merchant's draft but not in my original draft, and Mr. Merchant is including certain points from my draft in his record. There are, I think no differences of substance between the two records.

2. I had hoped to be able to forward a copy of the record made by the State Department. Mr. Merchant tells me, however, that before he could hand me a copy it would be necessary for him to secure approval of his record by the President and the other participants on the US side. I am therefore not giving him, for the present at any rate, a copy of the enclosure.

. . .

H.H. WRONG

[PIÈCE JOINTE 1/ENCLOSURE 1]

Compte rendu de la première rencontre entre le premier ministre et le président des États-Unis

Report of First Meeting Between Prime Minister and President of United States

SECRET Washington, May 7, 1953

There were present the President, the Prime Minister, the Secretary of State, the Secretary of State for External Affairs, the Canadian Ambassador, Mr. Frank Nash,

Assistant Secretary of Defense, and Mr. Livingston Merchant, Assistant Secretary of State.

After some preliminary talk, *The Prime Minister* said that Canadians had gladly accepted the military leadership of the President in war and as Supreme Commander of the NATO forces in Europe, and were now looking to his political leadership of the free world. *The President* remarked that he personally was dedicated to the success of NATO; if he did not believe in its great importance, he would not have left "the best job in the United States" to become Supreme Commander of the NATO forces. The partners in the North Atlantic Treaty were the stronghold of the free world. It was necessary to maintain outposts at various points in the Eurasian land mass which, if attacked, would be sufficiently powerful to hang on until relief could arrive.

The Prime Minister agreed with the President and brought up the new Communist proposals in the Korean armistice negotiations. *Mr. Dulles* remarked that these proposals were close to the terms of the Indian Resolution adopted by the General Assembly, except that they specifically included India as a member of the group of five "neutrals" (Sweden, Switzerland, Poland, and Czechoslovakia) instead of leaving the fifth member to be named by the other four. He also mentioned that no time limit was set for the ultimate release of prisoners refusing to be repatriated; if agreement was not reached, the disposition of those not repatriated was to be referred to the political conference. *Mr. Pearson* expressed concern about the prospects of any political conference and *Mr. Dulles* agreed that this raised very difficult problems. *Mr. Dulles* went on to say that the United States would not stand for lengthy haggling and that a few days before they had been on the point of breaking off the armistice negotiations. Later it was learnt at the State Department that what had then been considered was only to recess the negotiations for a few days and not to break them off completely.

With reference to Korea, *The President* mentioned the frequent impatience shown in the United States for quick solutions of difficult problems and said he supposed that the same sentiment might be found in Canada. *The Prime Minister* said that he thought that in Canada there was not much impatience for "getting it over with" by some drastic course of action. *The President* agreed that patience was required; he was prepared to resist pressures by supporters of drastic solutions. He added that no member of the Administration supported any attempt to take drastic military action.

Turning to Indo-China, *The President* said that in his judgment the attack on Laos was a far greater danger than Korea. *Mr. Dulles* said that he had just had two discussions with the Ambassador of Thailand, who was advocating a study under the authority of the Security Council. He considered that the security of Thailand itself was of extreme importance to the free world. *Mr. Pearson* enquired whether the attack on Laos and the consequent threat to Thailand did not provide a very good opportunity for the despatch to the area of a Peace Observation Group under the Assembly's resolution "uniting for peace". *Mr. Dulles* said that it seemed to him that there was an admirable case for this action and that careful consideration was being given to it in Washington.

Mr. Pearson then referred to the desire of the French Government to link the situation in Indo-China with the question of the observance of an armistice in Korea. He remarked that while there might be a military case for associating the two areas, politically the problems were completely separate, Korea being a United Nations operation and the situation in Indo-China not having been discussed in the United Nations and having some aspects of a colonial war.

The President said that what was required in Indo-China was a firm and unequivocal declaration by the French Government of their intention to further the independence of the Indo-Chinese States. This was necessary to get the Viet-Namese on the side of the free world and to end the prevalent suspicions that the fighting in Indo-China was a colonial adventure. Without support of the indigenous peoples, the French could not succeed. The French should, by announcing the required political concessions, make a virtue of necessity. *Mr. Dulles* referred to the reluctance of the French Government to take the attack on Laos to the United Nations. He mentioned the arguments which he had put forward in favour of this general course when in Paris the previous week. *The President* added that there seemed to him to be a certain similarity between the British attitude in the Iranian dispute and the French feelings towards Indo-China: neither government expected to recover their lost ground, but the British were sticking to their position in Iran because they believed that this was necessary to protect the sanctity of contracts elsewhere, and the French in Indo-China were opposed to granting further political concessions there because they were thinking of the effect in their other colonial territories.

Turning to the question of Soviet intentions, *The President* favoured the exploration of the sincerity of recent Soviet moves to the last corner. He himself had no thought that these moves amounted to a permanent change in Soviet aims. *The Prime Minister* wondered how important as a motivation was the desire among the Soviet people for an easier life. *The President* recalled a talk which he had had with Stalin in 1945 in which Stalin had spoken very freely of the extremely low standard of living in Russia and the long hours of work and had declared that he believed it necessary to improve the standard. *The Prime Minister* remarked that the jail delivery recently announced in Moscow could not be regarded as part of a "peace offensive" from an international point of view; it appeared to indicate a genuine internal need. *Mr. Dulles* thought that after the death of Stalin there was a demand all round for a relaxation of tension. From the free world point of view, it was easier for the allies to be united in actual fighting than in reaching agreement among themselves in political conferences, such as that which would take place after the armistice in Korea.

There was a brief discussion on Egypt. *The President* said that he had been quite ready to take part in the negotiations between the British and the Egyptians, but that the United States would not take part, of course, unless they were invited, and no invitation had been received. In the meantime, the talks in Cairo were suspended until Mr. Dulles arrived there in the following week. *Mr. Dulles* went on to say that the immediate cause of the suspension was the question of the technicians which were needed to maintain the base. *The President* added that two or three days before, the new Egyptian Ambassador had told him that there would be no difficulty over the presence in the base of the large number of technicians required to

look after the stores and installations there. He thought, however, that the nub of the difficulty might be the nationality of the technicians because of the Egyptian desire to have as few British there as possible.

Mr. Pearson then introduced the question of the air defence of North America and in particular of the proposed new chain of radar stations in the Far North running from Alaska to Thule. *The President* said that he had seen no detailed plan of this project. He believed that the United States should provide its fair share. Anything done should be on the basis of partnership, and the United States would, of course, show full respect for Canadian sovereignty. He assumed that the military staffs of the two countries were in contact. *Mr. Nash* remarked that it had just been agreed to set up a joint military survey group to review the whole matter. Approval had been given for three experimental stations to be constructed this summer. *The Prime Minister* said that some months ago there was pressure from the United States for Canadian approval of the project. There was some evidence in Canada of a strong feeling that expansion of such installations in the Far North was primarily in the interests of the United States. In Canada, the experts thought that this new chain was not nearly as useful as alternative courses which might be taken, in particular the building up of forces as a deterrent to Soviet aggression. *Mr. Nash* observed that while a number of the scientists concerned with this project were enthusiastic, their enthusiasm was by no means fully shared by all the military authorities. He thought that the wise course was to have the three experimental stations built and their efficiency tested. He added that the enthusiasts would like to see a programme adopted for improving the air defences which might cost as much as $20 billions. *The President* observed that if a programme of this size were completed, it would certainly be obsolete immediately because of the speed of scientific developments. *Mr. Pearson* said that quite apart from any question of military need for installations in the Far North constructed by the US or jointly, the political question arose in Canada of why Canada should not construct, maintain and operate all such installations in Canadian territory instead of permitting the United States squadrons and technicians into Canada while Canadian squadrons and technicians were moving to Europe. *The Prime Minister* added that a point that was troubling the advisers to the Canadian Government was what use could be made of a warning of approaching aircraft reported by a Far Northern chain of radar stations if it was not possible to take action of the right sort on the receipt of such a warning. *The President* appeared to agree that this was a central question. *Mr. Nash* remarked that it was chiefly the Civil Defence authorities in the United States who continued to consider that the construction of the whole trans-Arctic chain was very important.

The meeting then adjourned for photographs and luncheon.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Compte rendu de la deuxième rencontre entre le premier ministre et le président des États-Unis

Report of Second Meeting Between Prime Minister and President of United States

SECRET Washington, May 11, 1953

There were present the President, the Prime Minister, the Secretaries of State, Treasury, and Defence, the Secretary of State for External Affairs, the Canadian Ambassador, Mr. J.W. Pickersgill, Secretary of the Canadian Cabinet, and Mr. Livingston Merchant, Assistant Secretary of State.

The President began the discussion by saying that the Cabinet had that morning approved a report by a sub-committee endorsing on certain conditions the participation of the United States Government in the St. Lawrence Waterway. Mr. Sherman Adams proceeded to read a statement for immediate release to the press embodying this report. *The President* added that the Attorney General considered that the opponents to the development of power by the State of New York in conjunction with the Province of Ontario would have, if they took the issue to the courts on legal grounds, a very poor case. As to method of participation in the Waterway, if Congress approved, the agency would be a public corporation with authority to issue bonds, the amortization of the costs to be completed within fifty years. On the suggestion of *The Prime Minister* and *Mr. Pearson*, the statement for the press was slightly amended in order to make it clear that the participation in the Waterway which was contemplated was only in the International Section of the St. Lawrence River. Mr. Adams then left the meeting to issue the statement.

The Prime Minister then raised some economic questions currently causing anxiety in Canada, and this led into a discussion of international economic policy, to which the rest of the meeting was devoted.

The Prime Minister referred to the restrictions on the importation of dairy products which had been imposed by Section 104 of the Defense Production Act, expiring on June 30th, and to the demand in Congress for the renewal of these restrictions. He said that the restrictions were in conflict with the obligations undertaken by the United States under the General Agreement on Tariffs and Trade and for this reason they caused particular concern. On the previous day in the Canadian House of Commons an Opposition member had moved a resolution urging "further vigorous efforts" by the Government to bring about the removal of these restrictions. After slight amendment the resolution was adopted unanimously.[6] *The President* outlined the domestic situation with respect to dairy products and in particular the difficulties which the government was facing in connection with over-production of butter. He criticized the foolish support policy (he called it "the fool straight-jacket") which was now compelling the government to buy and store very large

[6] Voir Canada, *Débats de la Chambre des communes*, session 1952-1953, volume V, 6 mai, pp. 5142-5149.
See Canada, House of Commons, *Debates*, Session 1952-1953, Volume V, May 6, pp. 4847-54.

quantities of butter and to dispose of what they could through non-commercial channels at heavy losses. *The Prime Minister* then referred to Canadian complaints that the long-established export trade in dairy cattle was being seriously restricted through the extreme severity with which border officials were applying the regulations. *Mr. Dulles* remarked that in his experience there was a frequent tendency of border officials to assert their authority unduly by exercising their powers of exclusion to the utmost. *The Prime Minister* observed that it had taken a long time in Canada to change the attitude of immigration officers; during the period of restrictive immigration policies they had been inclined to search for reasons for keeping people out, and this continued for some time after the adoption by the government of a much freer immigration policy.

Mr. Pearson remarked that the actions mentioned by the Prime Minister about dairy products and dairy cows were giving rise to widespread fears that the United States was entering a period of restricting trade, and that such fears had a serious effect on the general strength of the free world. *Mr. Dulles* said that the Administration was hoping to prevent the passage of the Simpson Bill by the Congress; the aim was to secure a straightforward renewal of the present Reciprocal Trade Agreements Act for one year.

The Prime Minister then referred to the threatened increase in US duties on lead and zinc, and mentioned that a member of the Canadian Parliament had urged that, if this action was taken, Canada should retaliate by imposing export duties on nickel and asbestos needed for United States consumption. After the Korean War, Canadian production of lead and zinc had been considerably expanded at the urgent request of the United States authorities. The proposal in Congress would put Canadian producers in the position of marginal suppliers and would make it very difficult to expand production rapidly in the event of war; the mines ought to be in a position to operate profitably in peacetime without new restriction on their access to the US market. *The President* said that the Prime Minister was talking economic sense, but the impulses of nationalism and the arguments based on the view that the needs of defence required domestic sources of supply were difficulties in the way of acceptance of the Prime Minister's views. *Mr. Dulles* referred to the feverish production and acquisition of raw materials which had taken place after the outbreak of the Korean war in the belief that a world war might be imminent; this had resulted in the building up of too large stocks, which were overhanging the market, especially of lead, and had given rise to a great deal of speculation.[7]

Mr. Wilson then observed that both the countries would be better off if they moved closer and closer towards free trade between them. If free trade were established, he said that the General Motors Corporation would fully continue production in their Canadian plants, although their capacity might be used for the production of parts to a greater degree than at present. He expressed the belief that complete free trade with Canada would be in the mutual interest. *The President* remarked that on almost every occasion on which he met with the Cabinet, discus-

[7] Voir les documents 832-837./See Documents 832-7.

sion of the need for freer trade came up, together with the methods of coping with pressure groups demanding protection of particular interests.

The Prime Minister then mentioned that other current commercial difficulties with Canada were occurring in the agricultural field; an embargo on the import of Canadian oats had, he understood, been demanded. *The President* said he had never heard of this. *The Prime Minister* remarked that such matters should, in his judgment, be handled quietly if possible and should not become the subject of debate in Congress. *Mr. Pearson* advanced a suggestion that consideration might be given to the establishment of a joint economic board. The reference of difficult issues for study and report to joint boards was a well-established practice. The International Joint Commission had been operating successfully for over forty years and the Permanent Joint Board on Defence for over a dozen years. Since the end of the war, both governments had been working towards freer trade, but, as the discussion had shown, there were outstanding demands which might bring about new restrictions in trade. Such a board should, like the PJBD, be advisory. Either government might refer to it for study and recommendation [of] specific problems, such as that relating to Canadian oats which the Prime Minister had mentioned. It ought not to deal with tariff rates. *The President* remarked that the suggestion of an economic board sounded good to him and that he thought it ought to be given careful consideration. *Mr. Wilson* expressed his agreement. With regard to current difficulties about the importation of Canadian agricultural products, the *Prime Minister* observed that he had been surprised recently to learn that Canadian imports of agricultural products from the United States were greater in value than Canadian exports of agricultural products to the United States. *The President* suggested that Mr. Dulles should be responsible for seeing that the idea of a joint economic board was further examined in Washington. Perhaps Mr. Pearson might be similarly responsible in Ottawa.

The discussion reverted to Mr. Wilson's earlier endorsement of free trade between Canada and the United States. It was pointed out that the existence of most-favoured-nation undertakings would prevent an exclusive tariff arrangement between Canada and the United States of this sort unless it amounted to a complete customs union or free-trade area. *Mr. Wilson* enquired with a smile whether it would not be possible to treat Canada as a "super-favoured-nation", and *the President* wondered whether a special tariff relationship could not be established and asked who would be hurt by a customs union. *Mr. Wilson* remarked that such an accomplishment would set a practical example of what the United States was preaching in Europe. *The President* agreed and said he would be for free trade between the two countries if further study showed that it was feasible. It would be necessary to consider the effect on immigration, and to identify the areas of difficulty.

The President mentioned the studies of foreign economic policy which were being initiated under Mr. Lewis Douglas and the proposal submitted to Congress for the establishment of a Legislative-Executive Commission to develop recommendations within the next few months on the appropriate foreign economic policy of the United States. Time was required for public education before the pressures of special groups for protection could be diminished in force. *The Prime Minister*, referring to the suggestion of a special tariff relationship with Canada, said that it was

important to avoid doing anything which would keep others out. The problem, in his judgment, had to be viewed in the light of the needs of the whole free world, which should be constantly kept in mind. *Mr. Humphrey* agreed with the Prime Minister. He enquired about the effect on Commonwealth relationships. *The Prime Minister* answered that he was thinking of the free world as a whole, and did not consider that inter-Commonwealth relationships were much involved.

Mr. Pearson then referred to the hopes which had been expressed at the Commonwealth Economic Conference last November. He believed that the United Kingdom Government had then made a big decision that as early a return as possible to multilateral trade and convertible currencies should be their aim. Time was now running out, and he had a real fear of backsliding unless possibilities of earning more dollars were opened to the sterling area. *Mr. Dulles* and *Mr. Humphrey* answered that, in their judgment, the United Kingdom was not yet strong enough in its economy to achieve convertibility and abandon its import controls. *Mr. Pearson* replied that, in any event, it was very important to continue progress towards freer trade; any retreat from the objective would be dangerous to the whole free world. At this point *The Prime Minister* said that a memorandum had been prepared in Canada expressing Canadian views on international economic problems, which he would like to leave with the President[8] together with the text of the resolution approved on the day before by the Canadian House of Commons. *The President* accepted the memorandum and resolution and suggested that a detailed discussion of each point in it should take place later.

Mr. Dulles then had to leave the meeting for another appointment.

Continuing discussion on the needs for freeing international trade, *The Prime Minister* mentioned the trade offers which were being or might be made by the Kremlin and their tempting quality to countries unable to find adequate outlets for their exports and sources outside the dollar area for their essential imports. He expressed fears that unless other markets and sources of supply could be developed, the resistance of some countries to the Communist bloc would be weakened and their contribution to the defence of the free world reduced. *The President* said that these countries must certainly make a living. His aim in defence was to keep the forces in being as small as would permit them to do the essential job of training young men as they became of age for military service and of providing sufficient power to resist the initial attack in the event of war. If this were achieved, each country would have a large trained reserve which could promptly be called to service in case of need. The policy in which he believed was designed to meet two needs: the averting of sudden disaster and the ability to expand rapidly in wartime. Although this was very difficult of attainment, he thought that it could be done. *The Prime Minister* agreed that it was essential to have in being forces capable of rapid expansion.

Mr. Wilson again emphasized in this connection the great importance to the free world of the elimination of trade barriers. *The President* expressed full agreement. The problem of converting to this view some elements in Congress was formidable,

[8] Le document 660./Document 660.

but he intended to make progress as fast as possible. He hoped before long that public opinion in the United States would realize the obligations of the country as a creditor nation. In his Cabinet he could assure the Prime Minister that there were no economic isolationists. *The Prime Minister* expressed the earnest hope that in the meantime there would be no retrograde steps, as these would have an effect in Canada and in other countries altogether out of proportion to their economic importance. The meeting ended with the *President* asserting his intention of showing the people of the United States that their best interest lay in freer and better international trade.

A draft joint communiqué was then approved by the President and the Prime Minister for immediate issue.[9]

663. DEA/50311-40

Note de la Direction de l'Amérique

Memorandum by American Division

CONFIDENTIAL [Ottawa], May 19, 1953

On May 13, John Morgan of the US Embassy came to see me to ascertain what we felt of the PM's visit after Mr. Pearson's return.

2. I thought that the main object of the visit had been attained, namely, the Prime Minister had come to know the President in a more personal and informal manner. They had discussed quite freely the main problems confronting the world and our two countries. It was a very successful meeting from that standpoint.

3. As to the results of such a visit, we had not expected any and were, as a consequence, not disappointed. In the international field, the President's assurances concerning his desire for an armistice in Korea were most welcome. Officials wondered, however, whether the President's views were being correctly translated in the directives which were being sent to the negotiators. In the economic field, we saw some shoals ahead which might damage Canadian-US and, say, dollar-sterling relations: we wondered whether the President — in balancing domestic against international requirements — would be in a position to shift the rudder in time to avoid the shoals. On the St. Lawrence project, the US Cabinet did not seem to have a thorough grasp of the Canadian views.

4. In brief, while the visit was very successful from the Prime Minister's viewpoint, officials did not think that the impression derived from the party's visit was one which should give rise to uncontrolled exuberance.

E.A. CÔTÉ

---

[9] Pour le texte du communiqué conjoint, voir:
For the text of the joint communiqué, see:
United States, *Public Papers of the Presidents of the United States — Dwight D. Eisenhower*; Volume 1953, pp. 275-7. Office of Federal Register, General Services Administration, Washington, D.C.

SECTION B

OTTAWA, 13-14 NOVEMBRE 1953
OTTAWA, NOVEMBER 13-14, 1953

664. PCO/I-20-2(a)

Note du secrétaire d'État aux Affaires extérieures pour le premier ministre

Memorandum from Secretary of State for External Affairs to Prime Minister

[Ottawa], November 12, 1953

MATTERS FOR DISCUSSION WITH PRESIDENT EISENHOWER

The President has been having rather a rough time at home in recent weeks, and especially in the results of a number of "off year" elections. It may be that he is apprehensive that he will be the recipient of a number of troublesome requests or complaints when he is in Ottawa. It seems to me that it would be wise throughout the talks with him to show an appreciative understanding of the domestic political difficulties by which he is surrounded, and also of what he has so far managed to accomplish in dealing with matters of interest to Canada.

2. On the St. Lawrence project, he has acted with speed in completing the final stages of executive action to license the New York Power Authority as the United States entity, and he has also authorized the Attorney General to do what he can to secure an early hearing of the action brought by various interests to prevent the start of construction.

3. On questions of trade, his public statements on the need for greater freedom have been on the whole welcome from our point of view, and he has been exerting an influence with fair success to hold the line against protectionist pressures until the review of United States foreign economic policy which has been undertaken by the Randall Commission[10] has been completed. It might be well to remind him of the careful statement of the policy of the Canadian Government which you handed to him last May, at the meeting in the White House.

4. There are, of course, a number of commodities on which early action to our disadvantage is being demanded by lobbies in the United States. There is only one commodity which in my judgment ought to be mentioned to the President — oats. We have heard that the Tariff Commission has recommended the imposition of a quota of 23 million bushels on the importation of Canadian oats. We have received, confidentially, from a source in the State Department the information that the State Department is recommending to the President that he reject this finding of the

[10] Il s'agissait d'une commission nommée par le président Eisenhower pour étudier la politique économique des États-Unis à l'étranger.
This was a commission appointed by President Eisenhower to study US foreign economic policies.

Commission, which apparently was made by a majority of four to three members. As he will have to decide the matter within a few days, a reminder of our interest would be timely.

5. There are several issues concerning defence which you might wish to discuss with him:

(a) *Northern continental defences*

I think he might be told that the Canadian Government is alive to the need for strengthening Northern anti-aircraft defences and that this has been shown by the rapidity with which agreement has just been reached on the construction of an early warning system, roughly along the line of the 55th parallel. Something might be said also about the desirability of manning such installations as far as possible with Canadians.

(b) *North Atlantic Treaty*

The President, I am sure, will agree that NATO is as important as ever to the defence of the free world and that the recognition of increased risk of attack on North America should not be interpreted as indicating the possibility in any way of an early withdrawal of North American forces from Europe.

(c) *Atomic co-operation*

You might welcome the readiness of the United States to increase the exchange of information with Canada and the United Kingdom under the modus vivendi of 1948.[11] Admiral Strauss (pronounced "Straws"), Chairman of the United States Atomic Energy Commission, this week informed the Canadian and British Ambassadors that it had been agreed by the National Security Council that information on weapons effects could be given to both Governments. This should be of great value, both in training of Canadian forces and in connection with civil defence. Admiral Strauss has also stated publicly that further information can be conveyed on reactors for power purposes. In addition he told Mr. Heeney that the President had authorized him to propose amendments to the McMahon Act permitting the relaxation of some of its provisions by giving further information to friendly governments.

(d) *Permanent Joint Board*

We have heard that the United States Government intends to strengthen its representation on their Section of the Board, and in particular that Governor Dewey may be asked to assume its Chairmanship. I think that this might be brought up by the President, although I doubt the necessity of discussing it unless he first mentions it.

L.B. PEARSON

[11] Voir le document 725./See Document 725.

665. PCO

Conclusions du Cabinet

Cabinet Conclusions

TOP SECRET [Ottawa], November 14, 1953

A meeting of the Cabinet was held in Room 16 of the House of Commons on Saturday, November 14th, 1953, at 11:45 a.m.

Present:

The Prime Minister (Mr. St-Laurent) in the Chair
The Minister of Trade and Commerce and Minister of Defence Production (Mr. Howe)
The Minister of Agriculture (Mr. Gardiner)
The Minister of National Defence (Mr. Claxton)
The Minister of Transport (Mr. Chevrier)
The Minister of National Health and Welfare (Mr. Martin)
The Minister of Finance (Mr. Abbott)
The Minister of National Revenue (Dr. McCann)
The Minister of Labour (Mr. Gregg)
The Secretary of State for External Affairs (Mr. Pearson)
The Minister of Justice (Mr. Garson)
The Minister of Veterans Affairs (Mr. Lapointe)
The Minister of Citizenship and Immigration (Mr. Harris)
The Minister of Mines and Technical Surveys (Mr. Prudham)
The Postmaster General (Mr. Côté)
The Solicitor General and Associate Minister of National Defence (Mr. Campney)
The Leader of the Government in the Senate (Senator Macdonald)
The Secretary of State (Mr. Pickersgill)
The Minister of Resources and Development (Mr. Lesage)
Assistant Secretary to the Cabinet (Mr. Pelletier)
Mr. W.R. Martin, Privy Council Office

Also Present:

The President of the United States of America (Mr. Eisenhower)
The Representative of the United States of America to the United Nations (Mr. Lodge)
The Assistant to the President (Mr. Adams)
The Ambassador of the United States of America (Mr. Stuart)
The Canadian Ambassador to the United States of America (Mr. Heeney)

1. *The Prime Minister* welcomed the President of the United States and his advisers. He expressed his appreciation that the President had found time to visit Canada and to have this informal talk about common problems. He and his colleagues would be glad to hear any comments Mr. Eisenhower might wish to make on the general problems faced by both Canada and the United States.

Relations with the Soviet Union

2. *The President of the United States* thought the most disturbing aspect of the present international situation was the implacable purpose of Russian leaders to dominate the peoples of the world. However, when those leaders spoke in their most truculent and arrogant tones, he felt Russia was not, at that particular time, ready to attack the free world. This seemed an indication of weakness as Soviet tactics should be designed to allay our fears. Obstructive, acrimonious and threatening attitudes only stimulated the free world to look to its defences. On balance, in

the light of the great power possessed by the free world, he did not believe the Soviet authorities would provoke a war but they would endeavour by every means possible, to weaken us in such places as Korea, Indo-China, Iran and the Middle East. It was not too difficult to deal with a military threat. Divisions could be raised and the free world geared to war production. The real problem was to counter the gradual subversion of democratic ideas and the fomenting of trouble in under-developed parts of the world and in those nations which were weak and might be attracted by the promises of Communism. The cold war was disagreeable and we should never overlook its seriousness. However, he had every confidence in free men and felt that these disruptive tactics of Soviet leaders could be countered successfully.

Build-up of strength in Europe

3. *Mr. St-Laurent* asked the President if he felt satisfactory progress was being made in building up the strength necessary to deter aggression in Europe.

4. *Mr. Eisenhower* thought the goals set by planners were sometimes too high and if they were not reached, as frequently happened, this led to disappointment. Europe could not be any stronger that its economy, and what had to be done was to help the Europeans in every way to earn their own living and for the continent to obtain a viable economy. The free world could not establish a "Roman Wall" in the centre of Europe. North Americans would come to be hated in the process and the underlying difficulties standing in the way of a healthy economy would not be solved. The United States and its allies, however, had given a pledge to assist in defending free Europe from aggression and this had generated some confidence amongst the inhabitants. In turn, this would help in establishing sound economic health. If success, or even partial success, crowned the efforts of those associated with the European Defence Community and the Steel Community, and there was a measure of real convertibility, the North Atlantic Treaty plans would be more easily achieved. It was a slow process, but he was encouraged by the progress which thus far had been made in building up the deterrent strength in Europe under NATO. There was some disappointment over conditions in Italy in that Premier de Gasperi had not secured a majority in his "Legislative Assembly" and the management of affairs had devolved upon other individuals. However, there had been a marked advance in several other countries, for instance, Greece and Turkey.

Trieste

5. *Mr. Eisenhower* said he was not seriously worried over certain reactions to the decision taken by the United States and the United Kingdom to hand over the administration of Zone "A" at Trieste to Italian authorities. Neither the Yugoslavs nor Italians dared say that they were satisfied with the proposed arrangements, but he felt that the United Kingdom and the United States were justified in attempting to break the stalemate they had faced for seven years. The whole problem was really an emotional one to both parties, neither of whom gave much evidence of good sense and logic in discussing it. It was important to strengthen the southern flank of the European alliance and it was difficult to do so in the absence of a settlement of the Trieste dispute.

Korea

6. *Mr. St-Laurent* asked the President for an expression of his views on the Korean situation.

7. *Mr. Eisenhower* said that, while President Syngman Rhee could be extremely difficult at times, we should remember that he was the head of a country that had been invaded and that the condition of the people in South Korea was pitiful. Mr. Rhee had, for many years, been an outcast fighting for a unified Korea and, while it was easy for western authorities to decide what he should accept in the current negotiations, we should not be too unsympathetic in our outlook. There was no doubt, however, that this aspect of the Korean problem could be very harmful unless carefully handled.

If Communist Chinese troops were withdrawn from North Korea, the possibility of China being recognized by the United States would be increased. The feeling in the United States, at the moment, was almost unanimously against recognizing China so long as that country maintained troops in Korea. From President Wilson's time, recognition in the minds of American citizens had implied approval and that was an attitude which the American government must always keep in mind. There had recently been some evidence that Russian authorities were striving, more than ever, to keep the Chinese within their sphere of influence. Anything which the West could do to weaken these bonds would be an advantage to the free world.

It should be remembered that Moscow, like the free world governments, also had some very difficult problems. Under its control were vast numbers of peoples, including satellite nations, with varying degrees of education and culture. The free world should obviously be watchful of every Soviet move, but it should not be paralysed with fright.

Canadian-United States problems

8. *Mr. St-Laurent* mentioned that Canada and the United States were co-operating in dealing with a great number of other than domestic problems. He did not doubt that, in most cases, satisfactory solutions would be found. Members of the services in both countries were studying matters in relation to continental defence and, in this connection, the Permanent Joint Board on Defence provided a useful organ for solving difficulties.

9. *Mr. Eisenhower* thought good progress was being made in achieving solutions to these problems. He hoped that advantage would be taken of other than normal diplomatic channels in various discussions which were constantly being held. The Joint Boards which had been established would be useful in this connection. As far as possible, he would like to be in a position to give advance notice to Canadian authorities of his intentions with respect to matters which affected more than US domestic interests.

10. *Mr. St-Laurent* felt that Canada had no complaint in this connection. He thought that the American Ambassador's recent speech at the Canadian Club in regard to trade was a useful one and pointed up the domestic problems on both sides of the border. So far as possible, we should deal with those domestic problems in a manner which would not hurt either of our peoples.

11. *Mr. Eisenhower* thought it essential that the importance of problems that arose from day to day should not be exaggerated. The important thing was to maintain free democratic governments on the North American continent. By the manner in which we handled our own domestic affairs we could set an example to other nations. If we succeeded in making democratic government stronger on this continent and maintaining our free institutions, what he considered smaller problems in the rest of the world could be solved. The struggle in the world today was between free men and dictatorships. Soviet Communism, according to the principles of Lenin, held that democracy had the seeds of destruction within itself. Free democratic peoples did not agree with this thesis. We should so manage our affairs that our society would not be destroyed from within. On the other hand, we should not attempt, forcibly, to impose our brand of democracy on others. Countries less well developed than the United States and Canada should remain free to grow and develop in their own way. By following this policy, North America would strengthen its bonds of friendship with other peoples throughout the world.

Other questions

12. *Mr. Eisenhower* thought conditions in other nations of the world were improving. In the Indian sub-continent, however, there were still difficulties over Kashmir and water resources. On the other hand, agricultural production in Turkey had increased to the point where that nation was now exporting wheat. Dollar balances in many nations were better than they had been previously. On the whole, United States official opinion inclined to the view that the free world was stronger than it was two years ago. The technical assistance programmes were having some useful effects.

In response to other questions raised, he said:

(a) that US farm prices' support programmes had created difficulties;

(b) that he would like to examine the report of the joint study group on continental defence;

(c) that, insofar as the price of gold was concerned, he felt that the wisest course, at the moment, was to make haste very slowly since it was difficult, if not impossible, to predict what effects an adjustment in price levels might have; and,

(d) that, in the matter of the proposed Trans-Canada Air Lines service from Montreal to Mexico City, via Tampa, the US Civil Aeronautics Board was probably fearful of establishing a precedent which might be embarrassing in future dealings with air carriers from other countries.

13. *The Cabinet* noted the observations made by the President of the United States on various international and domestic problems of common concern to both countries.

PAUL PELLETIER

666. L.S.S./Vol. 174

Note du secrétaire d'État aux Affaires extérieures pour le premier ministre

Memorandum from Secretary of State for External Affairs to Prime Minister

PERSONAL AND CONFIDENTIAL [Ottawa], November 16, 1953

I thought that President Eisenhower's visit went off extremely well and I am sure that the net result will be most beneficial in strengthening and deepening the good relations between the two countries, and their governments. There do not seem to have been any sour notes; even the security arrangements appear to have been satisfactory to all concerned! He and Mrs. Eisenhower obviously enjoyed their visit and were very responsive to the warmth of the official and popular greeting which they received.

Of course, the President did not say anything, at least in public, that was new or of immediate importance, but I thought that his statements were admirable, both in form and in content.

There has already been some disposition to interpret the President's references in Parliament to trade relations as throwing, if not cold, at least lukewarm water on the possibility of an early lowering of customs barriers. It is true that the President's remarks on this subject did emphasize that, especially in the United States, it took time to translate desirable economic principles into practice. Possibly, however, it is just as well that this was made clear, because, otherwise, more might have been read into the President's statement by Canadians than congressional control over these matters would warrant.[12]

I had quite a long talk with the President on the train coming from the border, and while I found him as warm-hearted and friendly as ever, I got the impression that he was showing signs of the strain of office (not surprising) and had not quite the zest and resilience of a year or so ago. In fact, he admitted this, and indicated that his job, combining as it did, ceremonial, political and administrative functions of government, was a backbreaking and, at times, almost a heartbreaking one. He said how lucky we were under a monarchal form of government, with the right kind of division of function. He also indicated that he would not stand for a second term. Indeed he went even further in a talk with my wife Saturday night, when he said that not only would he not run again, but that Henry Cabot Lodge was his favourite candidate to succeed him! He seemed very candid about this, and implied that one of the reasons he took Mr. Lodge along to Ottawa was to assist in the process of building him up as the next President. The President did not say anything to me personally which would confirm this, though he did, on the train, state without qualification that if Foster Dulles had to drop out, how fortunate he, the President,

[12] Pour le texte du discours que prononça le président au Parlement, voir Canada, *Débats de la Chambre des communes*, session 1953-1954, volume I, 14 novembre, p. 25-29.
For the text of the President's address to Parliament, see Canada House of Commons, *Debates*, Session 1953-1954, Volume I, November 14, pp. 24-28.

was, to have Cabot Lodge to succeed him. This is interesting and important, and does not, I think reflect the best political judgment on the part of the President. Mr. Lodge is a friendly, cultivated and intelligent person, and an experienced politician, but somehow I can't see him as the leader, either in the White House or in the State Department. Mr. Eisenhower, however, seemed to think that his only handicap was his birth and his breeding!

While mentioning Mr. Lodge as a possible successor to Mr. Dulles, if the latter should ever have to retire, the President added that in his opinion Dulles was exceptionally equipped for his present post in every respect but one — his inability to make a good personal impression on people at first meeting or discussion. I agreed with this but added that Mr. Dulles' handicap in this regard was usually overcome when people got to know him better. I thought that it would be just as well to let Mr. Eisenhower know that my opinion of Mr. Dulles as a Secretary of State had gone up in the last few months. Also I know that the British have been very much impressed by his conduct of affairs since last summer, and are contrasting him favourably, not only with Lodge in New York, but even with Dean Acheson![13] At least, that is the official Foreign Office view at the moment, and there is some basis for it.

At the unofficial meeting with the Cabinet on Saturday, we did not embark on any controversial discussions with the President. My wife, however, turned out to be an angel who did not fear to tread where Cabinet Ministers were loath to go, because she tells me that she had a very interesting talk with Mr. Eisenhower Saturday night about such inflammable matters as Senator McCarthy, the press, and even President Truman and Harry Dexter White![14]

As to the first, Mr. Eisenhower replied that the foreign press made far too much of Senator McCarthy, and seemed to think that in that regard the American press were less to blame. This is, I think, a doubtful conclusion. The President also confirmed what he had told Mr. Wrong some months ago, that he never read the newspapers because they merely confused, exalted or irritated you. He relied on a daily digest of press opinion prepared for him by his staff. This seems to me to be a very dubious expedient as the sole source of information about public opinion at home and abroad. While the President apparently has a low opinion of the press in general, he takes a specially dark view, according to Mrs. Pearson, of the columnists who, with the exception of one on the *New York Herald Tribune*, he considers to be either bores or menaces.

I also had a few words Saturday with both Lodge and Sherman Adams, and they were both very enthusiastic about the visit, and high in their praise of the arrangements made. They found that the atmosphere at Rideau Hall combined dignity and

---

[13] Dean Acheson, secrétaire d'État des États-Unis jusqu'au 20 janvier.
Dean Acheson, Secretary of State of United States to January 20.

[14] Joseph R. McCarthy, (sénateur républicain du Wisconsin), président du Comité du Sénat des États-Unis sur les opérations du gouvernement./Senator Joseph R. McCarthy (R.-Wisconsin), Chairman, United States Senate Committee on Government Operations.
Pour Harry Dexter White, voir le doc. 407, 12n./For Harry Dexter White, see Doc. 407, n12.

friendliness in a way which made a strong impression on them, and they were also very happy about the other aspects of the visit.

L.B. PEARSON

4e PARTIE/PART 4

QUESTIONS DE DÉFENSE
DEFENCE ISSUES

SECTION A

ACCORD SUR L'INTERCEPTION D'AÉRONEFS
AGREEMENT ON AIRCRAFT INTERCEPTION

667. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], April 2, 1953

. . .

DEFENCE; MODIFICATION OF CANADA-US AGREEMENT ON AIRCRAFT INTERCEPTION

21. *The Minister of National Defence* reported that, at a meeting to be held on April 13th, the Permanent Joint Board on Defence would consider a suggestion put forward by the United States to amend the existing Canada-US agreement on the interception of unidentified aircraft flying over Canadian and US territory. This agreement was contained in PJBD recommendation 51/4 which had been approved by the Cabinet Defence Committee on May 30th, 1951.

Sub-paragraphs (a) and (b) of PJBD recommendation 51/4 presently read as follows:

(a) Investigations by US military aircraft over Canadian territory would only occur in the case of an aircraft headed for the Canada-United States border from the Canadian side whose flight plan had not been transmitted to the US authorities; or which was off course, and then only in the event that the actions of the aircraft gave rise to a reasonable interpretation of intention to cross the international boundary; the activities of Canadian military aircraft over US territory would be similarly restricted.

(b) Close investigation with all due precaution, or interrogation, would be performed solely on unidentified multi-engine aircraft for the purpose of obtaining electronic or visual identification. No attempt would be made to order an intercepted aircraft to land, nor to open fire except when the intercepted aircraft was over the national territory of the air force performing the interception.

The US Section of the Permanent Joint Board on Defence had suggested, with the concurrence of the three US services and the State Department, that these sub-paragraphs should be modified as follows:

(a) Investigations of unidentified aircraft by US military aircraft over Canadian territory would only occur when it was not possible for a Canadian military aircraft to carry out the investigation; the activities of Canadian military aircraft over US territory would be similarly restricted. For the purpose of this agreement, an unidentified aircraft was an aircraft which entered or flew within an Air Defence Identification Zone in apparent violation of rules and regulations for operations in such zones, or when pattern of behaviour was sufficiently suspicious to justify a belief that it had hostile intentions.

(b) Close investigation with all due precaution, or interrogation, would be performed solely on unidentified multi-engine aircraft for the purpose of obtaining electronic or visual identification. The Rules of Engagement of the country over which the interception takes place would apply, with the proviso that the engagement of an aircraft was to be carried out only on orders issued by the Air Defence Commander of the country over which the interception takes place, or an officer who had been delegated the requisite powers.

The Chairman of the Canadian Section of the Permanent Joint Board on Defence had requested some indication as to the stand the Canadian government would wish him to take on this question.

22. *The Cabinet* deferred decision on a US proposal that current Canada-United States arrangements concerning aircraft interception be modified, pending further consideration of the proposal by the Permanent Joint Board on Defence and submission of a report as to the details of the suggested change.

. . .

668. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], April 9, 1953

. . .

DEFENCE; MODIFICATION OF CANADA-US AGREEMENT ON AIRCRAFT INTERCEPTION

21. *The Minister of National Defence*, referring to discussion at the meeting of April 2nd, pointed out that, because of the manner in which the Canada-US integrated air defence scheme had been set up and because of the limitation in Canadian manpower and aircraft, it was not possible at the present time for Canadian military authorities to undertake, themselves, the task of intercepting enemy aircraft along the Canada-US border in western Ontario and the three prairie provinces. As a result, US military authorities felt that the restrictions contained in the current

agreement relating to interception of enemy aircraft on the Canada-US border as set forth in the Permanent Joint Board on Defence Recommendation 51/4, which had been approved by the Cabinet Defence Committee in May 1951, were such as to make it virtually impossible to provide effective air defence for certain large US industrial centres, such as Detroit, which were located on or near the border in the mid-west.

The most important change in the modification to Recommendation 51/4, as recommended by US military authorities, would enable the Canadian Air Defence Commander located at St. Hubert, PQ, to delegate his powers to US commanders responsible for the defence of that area bordering on western Ontario and the three prairie provinces.

The suggested modification was without doubt desirable from a purely military point of view. It was for consideration whether the proposal was politically and otherwise acceptable.

An explanatory memorandum was circulated.

(Memorandum, National Defence, April 9, 1953 — Cab. Doc. 100-53)†

22. *In the course of discussion*, it was pointed out:

(a) that the RCAF had nine fighter squadrons located at various points in eastern Canada and British Columbia but none in western Ontario or the three prairie provinces;

(b) that the United States had 20 fighter squadrons (F-84's), many of which were located within reach of the Canadian boundary, in that portion of the United States lying south of western Ontario and the three prairie provinces;

(c) that, although radar information as to the movements of hostile aircraft was passed on immediately to the Canadian Air Defence Commander at St. Hubert, PQ, and the US Air Defence Commander at Denver, Colorado, the Canadian commander did not have at his disposal the aircraft required to intercept hostile aircraft in the area under discussion;

(d) that indiscriminate delegation to US military personnel of the powers of the Canadian Air Defence Commander might possibly lead to regrettable incidents involving Canadian aircraft;

(e) that the large expenditures involved and the lack of manpower and equipment made it impractical to consider, at this time, providing adequate Canadian air defences in western Ontario and the three prairie provinces; and,

(f) that, in the circumstances, it would be difficult to refuse to have existing aircraft interception arrangements modified to enable US aircraft to intercept hostile aircraft over Canadian territory under certain specified conditions.

23. *The Cabinet* agreed that the Chairman of the Canadian Section of the Permanent Joint Board on Defence be informed by the Minister of National Defence of the points raised in the discussion of the proposed modification of existing Canada-US arrangements respecting aircraft interception (PJBD Recommendation 51/4) and be advised that, while the Canadian government wished to meet the American points substantially, every precaution should be taken to safeguard Canadian interests.

. . .

669. DEA/50046-40

Note du ministre de la Défense nationale pour le Comité de la Défense du Cabinet

Memorandum from Minister of National Defence to Cabinet Defence Committee

SECRET Ottawa, November 2, 1953

PRINCIPLES GOVERNING THE INTERCEPTION OF UNIDENTIFIED AIRCRAFT IN PEACE TIME

1. The attached document which was discussed at a meeting of the Cabinet on 9th April, 1953, has now been processed through the Permanent Joint Board on Defence after having been agreed upon by the military authorities of the United States and Canada. It is also included in the Journal of Discussions and Decisions of September 1953 Meeting of the Board, as PJBD Recommendation 53/1.

2. I feel that the interests of Canada are sufficiently protected in the provisions and I recommend its approval.

[PIÈCE JOINTE/ENCLOSURE]

Recommandation 53/1 de la Commission permanente canado-américaine de défense

Recommendation 53/1 by Permanent Joint Board on Defence

SECRET [n.d.]

PRINCIPLES GOVERNING THE INTERCEPTION OF UNIDENTIFIED AIRCRAFT IN PEACE TIME

(This Recommendation supersedes Recommendation 51/4)

1. Aircraft controlled by the Air Defence System of the United States, or of Canada, engaged in intercepting unidentified aircraft during peace time, shall be permitted to fly over the territory of either country as may be required to carry out effective interception. These flights will be carried out under the following provisions:

a) Investigations of unidentified aircraft by United States military aircraft over Canadian territory will only occur when it is not possible for a Canadian military aircraft to carry out the investigation; the activities of Canadian military aircraft over United States territory will be similarly restricted. For the purpose of this agreement, an unidentified aircraft is an aircraft which flies within an Air Defence Identification Zone in apparent violation of rules for operation within such zone. When the pattern of behavior of an aircraft is sufficiently suspicious to justify a belief that it has hostile intentions, it may also be considered to be an unidentified aircraft.

b) In accordance with published civil and military regulations, investigating aircraft will not approach closer than is necessary to establish identification. Investi-

gation or interrogation will be performed solely on unidentified aircraft for the purpose of obtaining electronic or visual identification.

c) The Rules of Interception and Engagement of the country over which the interception or engagement takes place are to apply, even though the intercepting aircraft is being controlled from the other country.

d) The engagement of an aircraft is to be carried out only on orders issued by the Air Defence Commander of the country over which the engagement is to take place, or by an officer who has been delegated the requisite powers. The authority to issue orders to engage an unidentified aircraft should, to the greatest extent possible, be retained by the Air Defence Commander. However, when circumstances so necessitate, he may delegate such authority to a qualified officer not less in status than the senior officer in an Air Defence Control Center.

e) Translation of the general principles of this arrangement into coordinated operational instructions will be carried out by the Air Defence Commanders concerned.

f) This arrangement will remain in force until modified by mutual agreement, or until terminated by either Government.

670. DND/73/1223

Extrait du procès-verbal du Comité de la Défense du Cabinet

Extract from Minutes of Cabinet Defence Committee

TOP SECRET [Ottawa], November 3, 1953

. . .

II. PERMANENT JOINT BOARD ON DEFENCE; JOURNAL FOR SEPTEMBER 28-OCTOBER 1, 1953

5. *The Secretary* submitted the Journal of the Permanent Joint Board on Defence for September 28-October 1, 1953.†

6. *The Minister of National Defence* said that at its September meeting the Board had made a Recommendation (No. 53/1) embodying principles to govern the interception of unidentified aircraft in peace time. He proposed that the Board's recommendation be approved.

An explanatory memorandum had been circulated.

(Minister's memorandum, November 2, 1953, "Principles governing the interception of unidentified aircraft in peace time" — Document D47-53)

7. *The Committee*:

(a) noted the Journal of the Permanent Joint Board on Defence for September 28-October 1, 1953;

(b) on the recommendation of the Minister of National Defence, approved the Board's Recommendation (No. 53/1) regarding principles to govern the interception of unidentified aircraft in peace time.

. . .

SECTION B

AVION INTERCEPTEUR SUPERSONIQUE TOUS TEMPS — CF105
SUPERSONIC ALL-WEATHER INTERCEPTOR AIRCRAFT — CF105

671. DND/73/1223

Extrait du procès-verbal du Comité de la Défense du Cabinet

Extract from Minutes of Cabinet Defence Committee

TOP SECRET [Ottawa], December 2, 1953

. . .

II. SUPERSONIC ALL-WEATHER INTERCEPTOR AIRCRAFT — CF105

4. *The Minister of National Defence* said that the CF100, designed in 1947 and now in operational service, was an effective weapon against piston-engined bombers and against existing turbo-prop bombers. By 1958, it was estimated, the enemy would have turbo-jet bombers, which the CF100 could not adequately engage. The preparation of plans for a new type all-weather fighter was therefore urgent, but no western country had this problem in hand. The RCAF had studied the matter carefully in consultation with A.V. Roe Canada Ltd., and was confident that an aircraft could be produced to meet the new requirements. He therefore recommended that a replacement for the CF100 be developed; the new aircraft to be powered with the most suitable engines available.

An explanatory memorandum had been circulated.

(Minister's memorandum, November 30, 1953, "Supersonic all-weather interceptor aircraft — CF105 for the RCAF" — Document D49-53)†

5. *In the course of discussion* the following points emerged:

(a) The proposed development would not duplicate work in the United Kingdom or the United States and would be a contribution to common fighter defences.

(b) Funds for the proposed development programme would be found within the defence budget.

(c) Resources devoted to development work for the CF105 might have to be discarded as a result of new development programmes elsewhere, or a substantial change in the enemy threat; meanwhile, however, work on this form of fighter defence could be considered as risk insurance.

6. *The Committee*, after further discussion, recommended that approval be given for a development programme for the CF105 at a total estimated cost of $26,925,000.

. . .

SECTION C

COMMANDEMENT DU NORD-EST
NORTHEAST COMMAND

672. DEA/50221-40

Note du ministre de la Défense nationale pour le Comité de la Défense du Cabinet

Memorandum from Minister of National Defence to Cabinet Defence Committee

TOP SECRET Ottawa, January 8, 1953

CONTROL OF AIR DEFENCE FORCES AND THE UNITED STATES NORTHEAST COMMAND OPERATING OVER CANADA

1. The Committee will recall that at the 90th meeting on 14 November, 1952, they considered the matter of Canada-United States military installations in Newfoundland and Labrador, and noted that in informal discussions the USAF had indicated that they were prepared to assign squadrons to the US Northeast Command and place them under Canadian operational control while operating in Canadian Air Space. The following is a report of the arrangements which have been made.

2. The Canada-United States Military Cooperation Committee have met and drafted a revised command appendix to the Canada-US Emergency Defence Plan in which the principles governing the control of air defence forces are outlined. This paper has been approved by the US Joint Chiefs of Staff and the Canadian Chiefs of Staff.

3. The revised appendix states that the command of forces will be in accordance with the command structure of Canadian and US armed forces, except where otherwise specified by the Governments or Chiefs of Staff of Canada and the United States, and subject to the principles set forth hereunder:

(a) any forces located in Canada will operate under a Canadian Commander;

(b) any forces located in the United States or Alaska will operate under an American Commander;

(c) regardless of the area in which operating, the forces will come under the immediate command of a commander designated by the country furnishing the force;

(d) regardless of the area in which operating, internal administration shall be the prerogative of the country furnishing the force; and

(e) commanders who are responsible for operations should participate in the preparations of plans for such operations.

4. The following exceptions to the above principles were also agreed:

(a) paragraph 3(a) does not apply to forces stationed at the US 99 year leased bases. This exception, however, is modified in so far as air defence forces are concerned in paragraph 4(b);

(b) US air defence forces in Newfoundland operating over Canadian territory will come under the operational control of a Canadian Commander. Operational control, however, excludes re-deployment. The US Commander-in-Chief, Northeast Command, has the authority to re-deploy US air defence forces within the area of his command, but where possible, movement of these forces will be co-ordinated with the Canadian Commander. Before deploying US forces to a base in Canada outside the leased bases, authority must be sought from the Canadian Commander, except where the deployment is of a temporary tactical nature. In any case, the Canadian Commander is to be informed of any deployment of US air defence forces into, within, or out of Canadian territory; and

(c) any deviation from the principle outlined in paragraph 3(a) applicable to the US forces at Goose Bay are the subject of special arrangements approved by the Canadian Chiefs of Staff.

5. Since these command arrangements may involve deployment of US forces in Canada in peacetime, it will be noted that in paragraph 4(b), above, the US Commander-in-Chief, Northeast Command, is required to request authority from the Canadian Commander for any re-deployment in Canada outside the leased bases. In order that the Government may exercise control over the number of US troops stationed in Canada in peacetime, the Air Officer Commanding, Air Defence Command is being instructed to forward any such request for authority for re-deployment to National Defence Headquarters for Government approval.

BROOKE CLAXTON

673. DEA/50046-C-40

Compte rendu de la décision du Comité de la Défense du Cabinet

Record of Cabinet Defence Committee Decision

SECRET [Ottawa], February 10, 1953

Item I

Control of Air Defence Forces and the US Northeast Command operating over Canada

Memorandum, Minister of National Defence, January 8, 1953, "Control of Air Defence Forces and the United States Northeast Command operating over Canada" — Document D2-53.

The Committee noted with approval the Command Appendix to the Canada-US Emergency Defence Plan.

SECTION D

GOOSE BAY

674. DEA/50216-40

Note de la 1re Direction de liaison avec la Défense pour le sous-secrétaire d'État aux Affaires extérieures[15]

Memorandum from Defence Liaison (1) Division to Under-Secretary of State for External Affairs[15]

SECRET Ottawa, February 23, 1953

UNITED STATES FIGHTER SQUADRONS AT GOOSE BAY

The United States Section of the Military Co-Operation Committee has informed the Canadian Section that it considers that there is a military requirement for the deployment of four squadrons of fighter interceptors for the defence of the Northeast air approaches to the critical industrial areas in Canada and the United States and to protect important military and civil installations in Newfoundland and Labrador as follows:

(a) Two squadrons at Goose Bay;

(b) One squadron at Harmon Base; and

(c) One squadron in the Torbay-Argentia area.

2. As you are aware, one US fighter interceptor squadron was posted to Goose Bay last fall on a temporary basis — this being taken to mean that the squadron might remain at Goose Bay until Canada was prepared to undertake the air defence of the base with Canadian forces. It now appears that the US are likely to ask formally for permission to station another squadron at Goose Bay.

3. The Chiefs of Staff Committee discussed this matter at a meeting on February 19 and agreed that the Canadian members of the MCC should ask their US colleagues to drop the proposal to station a second fighter squadron at Goose Bay at this time and, as an alternative, suggest the positioning of a fighter squadron at Limestone or Thule.

4. According to the draft Minutes of the Chiefs of Staff Committee, the Chairman, Chiefs of Staff, said that, although Canada had agreed to consider the positioning of a second US fighter squadron at Goose Bay at some future date, the US should be informed that politically the time was not right for such a move. If the US continued to press the matter, the Government might suggest that a Canadian squadron now scheduled for NATO be stationed at Goose Bay and the US undertake to provide a further squadron in Europe. He said that this would make political sense in some quarters, but internationally it would be a poor move. Accordingly, the US should be urged to drop the matter at this time.

[15] Note marginale:/Marginal note:
Noted. W[ilgress]

5. The report of the Canadian Section of the MCC is likely to be discussed at the next meeting of the JPC and doubtless will come up at the next meeting of the Chiefs of Staff Committee. Our representative at the meeting of the JPC will endeavour to obtain full information on the proposal.

M.H. WERSHOF

SECTION E

TORBAY

675. DEA/50216-A-40

Note pour le ministre de la Défense nationale

Memorandum for Minister of National Defence

TOP SECRET [Ottawa], February 25, 1953

NOTE ON THE CURRENT POSITION WITH RESPECT TO TORBAY[16]

The United States in the Fall of 1952 withdrew its proposals for the establishment of an airhead and the basing of a fighter squadron at Torbay in peacetime on the understanding that Canada would undertake to improve the air field to jet fighter standards. At the January 1953 meeting of the PJBD, the US Section of the Board presented its revised requirements for the use of facilities at Torbay. These were as follows:

"(a) *Continuing Functions*

(i) an air transport squadron, administrative flying, and those activities necessary to support administrative flying operations for Headquarters, Northeast Air Command (approximate strength 500 officers and men);

(ii) housing for transient personnel (up to 200).

(b) *Temporary Requirement*

(pending construction of necessary buildings on the Leased Bases)

(i) HQ 950th Engineer Aviation Group;

(ii) Maintenance personnel;

(iii) 3rd Installation and Maintenance Squadron;

(iv) 11th Air Photo Flight.

the total number of personnel involved in (b) is about 600."

At the meeting of February 10, 1953, Cabinet Defence Committee approved the following:

(a) the RCAF is to take over the operation of Torbay Airport from the Department of Transport as soon as possible;

[16] Notre copie du document porte l'annotation suivante:
The following was written on this copy of the document:
This note was prepared as a brief for Mr. Claxton to use on a trip to Washington.

(b) the United States will be informed that the use of the buildings and other facilities which have been requested by the USAF is approved for a period of one year and thereafter from year to year, subject to termination by either country on thirty days notice, and subject to the following considerations:

(i) permission to station forces up to a total strength of 1300 on Torbay is granted until July 1, 1955, or until accommodation is available on the Leased Bases, whichever period shall be shorter. After July 1, 1955, the only forces to be stationed at Torbay will be those necessary in connection with the administrative flying operations for Headquarters, Northeast Air Command, i.e, approximately 500 officers and men;

(ii) every effort will be made by the USAF as rapidly as possible to provide accommodation on the Leased Bases for the 200 transients and for the 600 personnel for whom temporary accommodation is required at Torbay;

(iii) in event of action being taken to exercise the short term cancellation clause for any reason other than Canadian defence requirements, the matter may be referred by either Government to the PJBD.

A draft note is now being prepared and will be submitted for approval shortly.

676. DEA/50216-A-40

Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires de l'ambassade des États-Unis

Secretary of State for External Affairs
to Chargé d'Affaires, Embassy of United States

NOTE NO. 69 Ottawa, March 11, 1953

SECRET

The Secretary of State for External Affairs presents his compliments to the Chargé d'Affaires ad interim of the United States of America and has the honour to refer to discussions which took place at the January 1953 meeting of the Permanent Joint Board on Defence with respect to the requirements of the United States Air Force for the lease of certain buildings at Torbay Airport. The Canadian Government is pleased to approve the lease to the United States Air Force of the buildings and other facilities listed in the annex to this note† for a period of one year and thereafter from year to year, subject to termination by either country on thirty days notice, and subject to the following conditions:

(1) permission to station forces up to a total strength of 1300 on Torbay is granted until July 1, 1955, or until accommodation is available on the Leased Bases, whichever period shall be shorter. After July 1, 1955, the only forces to be stationed at Torbay will be those necessary in connection with the administrative flying operations for Headquarters, Northeast Air Command, i.e. approximately 500 officers and men;

(ii) every effort will be made by the United States Air Force as rapidly as possible to provide accommodation on the Leased Bases for the 200 transients and for the 600 personnel for whom temporary accommodation is required at Torbay;

(iii) in event of action being taken to exercise the short term cancellation clause for any reason other than Canadian defence requirements, the matter may be referred by either Government to the Permanent Joint Board on Defence. If it is decided by either Government, following consideration by the Permanent Joint Board on Defence, that the lease should no longer be in effect, then the thirty-day cancellation clause shall be operative.

The Canadian Government wishes to inform the United States Government that the Royal Canadian Air Force is taking over the operation of Torbay Airport from the Department of Transport in the near future. Since, however, the negotiations for the lease to the United States Air Force of the buildings at Torbay Airport have been underway for some time and have been conducted by the Department of Transport, it is intended that they should be carried to completion by that Department.

L.B. PEARSON

677. DEA/50216-A-40

Le chargé d'affaires de l'ambassade des États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires, Embassy of United States to Secretary of State for External Affairs

NOTE NO. 196 Ottawa, March 26, 1953

SECRET

The Chargé d'Affaires ad interim of the United States of America presents his compliments to His Excellency the Secretary of State for External Affairs and, with reference to the latter's Note No. 69 of March 11, 1953, has the honor to state that the conditions contained therein concerning the lease of certain buildings at Torbay Airport are agreeable to the United States Air Force.

It is noted with satisfaction that paragraph (iii) of the note is in consonance with the minutes of discussions on the subject of Torbay Airport by the Permanent Joint Board on Defense at its meeting in January 1953. Accordingly, representatives of the United States government agencies concerned have today arrived in Ottawa to resume the negotiation of the necessary rental contracts.

678. DEA/50216-A-40

Compte rendu de la décision du Comité de la Défense du Cabinet

Record of Cabinet Defence Committee Decision

TOP SECRET [Ottawa], April 13, 1954

ITEM IV — TALKS WITH DR. JOHN A. HANNAH, CHAIRMAN, US SECTION, PERMANENT JOINT BOARD ON DEFENCE; REPORT BY THE MINISTER OF NATIONAL DEFENCE

The Committee, after further discussion, agreed:

(a) to recommend that any suggestion to station a US fighter squadron at Torbay, Newfoundland, be discouraged. If, however, it was considered necessary to have an additional squadron in the area, it would be preferable to have it provided from Canadian sources by restricting the build-up of the 1st Canadian air division in Europe to the full scale originally planned.

(b) The appropriate service personnel and the Chairman of the Canadian Section of the Permanent Joint Board on Defence be instructed to dissuade the US authorities from advancing the suggestion.

SECTION F

STATIONS LORAN À TERRE-NEUVE ET AU LABRADOR
LORAN STATIONS IN NEWFOUNDLAND AND LABRADOR

679. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

CONFIDENTIAL [Ottawa], July 6, 1953

. . .

6. *Transfer to Canada of United States Loran Stations in Newfoundland and Labrador*

Defence Liaison (1) Division: In a recent Exchange of Notes Canadian and the United States Governments agreed to the conditions for transferring to the Canadian Government three Loran stations at Port-aux-Basques, Battle Harbour and Bonavista in Newfoundland which are at present operated by the United States Coast Guard. These stations were constructed in 1942 by agreement between the Newfoundland and United States Governments as a radio aid to air and sea navigation in the northern Atlantic. When the need for continued operation of these stations was established following the war, the United States Government agreed to operate the stations until such time as the Canadian authorities were able to accept full responsibility for them. In June, 1952, the Canadian Government agreed in principle to the transfer of the stations. Since then, officials of the two Govern-

ments have been working out the final agreement for completing the transfer. With the recent Exchange of Notes, the Canadian Government has agreed to assume responsibility for the three stations on September 1 of this year; the Department of Transport will operate the stations.

. . .

SECTION G

SYSTÈME DE DÉFENSE RADAR : RÉSEAU PINETREE
RADAR DEFENCE SYSTEM: PINETREE LINE

680. DEA/50210-40

Note du secrétaire d'État aux Affaires extérieures pour le Comité de la Défense du Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet Defence Committee

SECRET [Ottawa, n.d.]

PROPOSED ESTABLISHMENT OF NINE ADDITIONAL TEMPORARY RADAR STATIONS IN CANADA

At the September 1952 meeting of the Permanent Joint Board on Defence, the US Section of the Board submitted detailed information with respect to a request they had made for permission to carry out surveys leading to the establishment of six additional temporary radar stations to improve cover against low-flying aircraft. These stations would be located at the following points in Ontario, and would require operating staffs as indicated:

Location	Establishment	
	Military	Civilian
Mattawa (Early Warning Type)	85	5
Trenton " " "	65	5
Sultan " " "	85	5
Wiarton " " "	85	5
Fire River (Early Warning Ground Control interception Type)	195	6
Peninsula (Early Warning Type)	85	5

In addition, the US Section stated that there would be a requirement for three stations in British Columbia, one at Birken, one at Kamloops and one at Nakusp. A request covering these three stations was submitted to the Canadian Section at the January 1953 meeting of the Board.

2. A study of the US request for the six stations in Ontario has been carried out by the Chiefs of Staff, who from the military and technical point of view, recommend its approval (copy of Chiefs of Staff study attached†). The conclusions reached by the study are summarized as follows:

(1) Of the six stations, the site at Mattawa is the only one which will directly affect the Canadian system as such. However, since the permanent system is designed to afford mutual protection to the United States and Canada, any additional stations sited to fill the low cover gaps within this system will increase the protection afforded. These gap filler radars must be sited in relation to the permanent system and this precludes their being sited in US territory.

(2) It is essential that the entire radar net, including these six stations, operate on a 24 hour basis. It would not be feasible to construct them and put them on a care and maintenance basis for manning on very short notice in an emergency. Development of automatic unmanned stations is under way, but will not be completed for some time.

(3) It is agreed that low cover gaps in the permanent system may be of serious consequence in view of the enemy's increasing capability to penetrate and attack the United States and Canada at low altitudes employing revised tactics and technological improvements.

(4) The RCAF is not at present in a position to man any additional radar stations, and cannot, in fact, man the existing stations on a 24 hour basis.

(5) It is recommended that the USAF request for the establishment of six additional temporary radar sites be approved and that, for the present, the USAF be permitted to man them.

3. The military study of the requirement for the three stations in British Columbia has not yet been completed, but it is expected that the conclusion will be similar to that arrived at in the case of the six stations in Ontario.

4. Assuming the necessity for all nine stations to have been demonstrated and that consequently their installation would be authorized, it would be most desirable for political reasons that the stations in the more populous regions, viz., Wiarton, Trenton, Mattawa and Kamloops should be manned by Canadian personnel. On the other hand, in the face of an operational requirement, it would be difficult to justify rejection of the US request because of the inability of the RCAF to meet the commitment.

5. Arrangements governing the existing joint US-Canadian radar system in Canada were set out in an Exchange of Notes which took place on August 1, 1951. This agreement specifies that the costs of construction (except housing for dependents), equipment and operation of the system will be shared on the basis of approximately two thirds by the United States and one third by Canada. It further specifies that in order to simplify the division of costs in accordance with this principle, the United States and Canada will each assume financial responsibility for construction, equipment and operation of those stations (with their assorted control facilities) respectively allocated to each of them by agreement between the appropriate authorities of the two Governments. The agreement further provides that

(a) So far as practicable construction of installations will be carried out by Canadian agencies using Canadian labour and materials, and that electronic and other equipment manufactured in Canada will also be used so far as practicable;

(b) Canada will acquire and retain title to all sites required for the extension;

(c) Canada may by agreement take over the manning of stations initially manned by the United States.

6. The US Air Force Member of the Permanent Joint Board on Defence in a Memorandum to the Board, dated September 19, 1952, stated that the United States Air Force was prepared to bear the cost of construction, manning and operation of the stations. He also stated that manning of the stations by trained Canadian personnel would be acceptable. He asserted that since these stations were originally planned for deployment in the United States, procurement action for the equipment had been completed, thus precluding procurement of equipment from Canadian sources.

7. It is considered that in view of the statements by the USAF Member of the PJBD with respect to construction and operating costs and manning, the installation of these stations could be dealt with in accordance with the provisions of the radar extension agreement of 1951. It is further considered that in spite of the statement of the USAF Member of the PJBD with respect to the procurement of electronic equipment, the Canadian Government should insist on the right to supply this if it so desires.

8. It has been recommended:

(a) that the United States be granted permission to carry out site surveys with a view to subsequent installation and manning by the United States of the six stations in Ontario, and, if recommended by Chiefs of Staff, the three stations in British Columbia, in accordance with the provisions of the radar extension agreement of August 1, 1951, (including the use of Canadian electronic equipment so far as practicable) it being understood that the United States will meet all costs of installation, operation and manning until such time as the RCAF may desire to take over the latter two functions;

(b) that Cabinet direct that every effort be made by the RCAF to take over the manning of the stations at Trenton, Wiarton, Mattawa and Kamloops at the earliest possible date.

9. Before supporting the above recommendation, however, I would propose that further consideration be given to the possibility of the RCAF manning some or all of the above radar stations.

L.B. PEARSON

681. DEA/50210-40

Compte rendu de la décision du Comité de la Défense du Cabinet

Record of Cabinet Defence Committee Decision

SECRET [Ottawa], February 10, 1953

ITEM IV — PROPOSED ESTABLISHMENT OF NINE ADDITIONAL TEMPORARY RADAR STATIONS IN CANADA; US REQUEST FOR ADDITIONAL RADAR STATIONS

Memorandum, Secretary of State for External Affairs, undated, "Proposed establishment of nine additional temporary radar stations in Canada" — Document D8-53.

The Committee agreed that, subject to a favourable military view on the establishment of three additional radar stations in British Columbia,

(a) the United States be granted permission to make site surveys, to operate and to man nine additional temporary radar stations in Ontario and British Columbia, in general line with the provisions of the agreement on the extension of the radar defence system, concluded by an Exchange of Notes of August 1, 1951, it being understood, however, that the United States would meet all costs of installation, operation and manning until such time as the RCAF could take over the operation and manning of them; and

(b) the RCAF should, as soon as manpower was available, assume responsibility for the manning of the stations in populated areas.

682. DEA/50210-40

Note de la 1re Direction de liaison avec la Défense

Memorandum by Defence Liaison (1) Division

TOP SECRET Ottawa, February 20, 1953

US – CANADA RADAR AGREEMENT — US REQUEST FOR NINE ADDITIONAL STATIONS

Memorandum for Mr. Barton

The Under-Secretary called in Mr. MacKay and myself yesterday and gave us the following information.

Mr. Pickersgill had raised with Mr. Pearson the question of the kind of tenure to be given to the United States in respect of the nine additional stations. They had discussed the indeterminate character of the tenure granted in the 1951 Agreement and did not think that this aspect of the 1951 Agreement should be applicable to the nine new stations.

The Minister has accordingly instructed Mr. Wilgress that the tenure formula of the 1951 Agreement shall not apply to the nine stations.

I told Mr. Wilgress that we could probably work out a formula whereby (1) Canada could terminate permission for any of the nine stations at any time on reasonable notice provided (2) that the United States could ask the Permanent Joint Board on Defence to advise on the matter prior to the termination notice becoming effective. Something like this had been put in the recent GLOBCOM Exchange of Notes. Mr. Wilgress thought that a formula of this type would meet the Minister's point of view.

M. WERSHOF

683. DEA/50210-40

Note sur la réunion convoquée pour étudier le principe d'un partage des frais relatifs au projet Pinetree

Memorandum of Meeting to Consider the Basis of Cost-Sharing in Connection with Project Pinetree

SECRET [Ottawa], February 25, 1953

Present

Mr. L.D. Wilgress, Department of External Affairs
Mr. R.B. Bryce, Department of Finance
Mr. C.M. Drury, Department of National Defence
General A.G.L. McNaughton, Chairman, Canadian Section, PJBD
A/V/M F.R. Miller, Royal Canadian Air Force
Mr. R.A. MacKay, Department of External Affairs
Mr. J.S. Sanderson, Department of National Defence
Mr. R.G. MacNeill, Department of Finance
Mr. R.A.J. Phillips, Privy Council Office
Mr. W.H. Barton, Department of External Affairs

Mr. Wilgress stated that he had convened the meeting in order to review, at the official level, the policy to be followed by the Canadian Government in implementing the provisions of the 1951 agreement regarding the radar extension programme with respect to radar stations which, by arrangement, were the financial responsibility of the USAF, but which the RCAF had undertaken to man. There were at present five of these stations, as follows: Gander, Newfoundland; Halifax and Sydney, Nova Scotia; and Clark City and St. Marie in Quebec. Mr. Wilgress noted that the Department of National Defence was proposing that the military manpower costs of these stations should be met by the RCAF. Since this proposal was not in accord with the original terms of the agreement of 1951, the Department of External Affairs wished to consider the matter further before concurring in the proposal of the Department of National Defence.

2. Mr. Drury presented a tabulation of the estimated costs of operation and maintenance of the various elements of the Pinetree Project (based on RCAF establishments). This table (copy attached†) indicated the approximate division of costs between the two countries which would result if various schemes were followed.

3. General McNaughton pointed out that one of the principal objectives of the Canadian Government representatives who had participated in the drafting of the 1951 agreement was to impose a deterrent factor which would ensure that the

United States would wish to withdraw from installations in Canada just as soon as the need for them ceased to exist. This deterrent factor was almost entirely a financial one and any measure taken by Canada to reduce the US financial obligation, to that extent reduced the deterrent. If it were decided that Canada should meet the military manpower costs of US-financed stations which the RCAF was manning, then it would be necessary to try to devise some other deterrent as a substitute.

4. There followed a general discussion, in the course of which the following conclusions emerged:

(a) it was contrary to the policy of the USAF to pay the military manpower costs of other countries which were providing services for the USAF. By the same token, the USAF did not charge for its military manpower costs when it provided services for other countries;

(b) insistence by Canada that the USAF pay military manpower costs in accordance with the letter of the 1951 agreement might lead to a change in US policy with respect to services supplied by US Armed Forces to Canadian Forces abroad. It might also produce adverse publicity about Canadian forces being paid by the United States;

(c) Canada would undoubtedly be pressed by her NATO allies to increase the size of her defence budget, and the extent to which she responded to this demand would in turn influence political and economic relations with these other countries, particularly the United States. Payment of military manpower costs in connection with the joint defence of North America would be one way of meeting this demand.

5. Mr. Wilgress summed up the sense of the discussion by stating that reluctantly he had come to the conclusion that it would be wise for Canada to meet the military manpower costs of operating those radar stations in Canada which were the financial responsibility of the USAF, but which the RCAF was manning.

6. It was agreed that the Department of National Defence would submit a Memorandum to Cabinet Defence Committee seeking approval of this policy, subject to the proviso that the USAF continue to adhere to the same policy where Canadian forces were drawing on it for services. It was further agreed that the Canadian decision should be communicated to the US Government by means of a statement to be made by the Canadian Chairman at the next meeting of the Permanent Joint Board on Defence.

684. DEA/50210-40

Compte rendu de la décision du Comité de la Défense du Cabinet

Record of Cabinet Defence Committee Decision

SECRET [Ottawa], March 17, 1953

ITEM I — CONTINENTAL RADAR DEFENCE SYSTEM

Memorandum, Minister of National Defence, March 13, 1953, "Continental Radar Defence System" — Document D11-53.†

The Committee recommended that, in those cases where Canada, by agreement with the United States, assumed responsibility for manning any radar stations allocated to the United States for financial purposes, Canada would assume responsibility for the payment of all military manpower costs at such stations.

685. DEA/50210-40

Le secrétaire d'État aux Affaires extérieures[17]
au chargé d'affaires de l'ambassade des États-Unis

Secretary of State for External Affairs[17]
to Chargé d'Affaires, Embassy of United States

NOTE NO. D-85 Ottawa, April 2, 1953

SECRET

Sir,

I have the honour to refer to discussions which have taken place at recent meetings of the Permanent Joint Board on Defence with respect to United States proposals concerning the carrying out of site surveys with a view to the subsequent installation of six temporary radar stations in Ontario (to be located at Trenton, Sultan, Wiarton, Peninsula, Fire River and Mattawa), and three mobile radar stations in British Columbia (to be located at Birken, Kamloops and Nakusp).

The Canadian Government is pleased to inform the United States Government that permission is granted for the latter to make these site surveys, it being understood that the arrangements for the entry of the survey parties and their equipment into Canada and the carrying out of the surveys will be made through United States Air Force-Royal Canadian Air Force channels, under the same conditions as prevailed in the case of the site surveys for radar installations which are a part of the Pinetree Project. It is further understood that copies of all information obtained in connection with these surveys will be supplied to the appropriate Canadian authorities.

R.A. MACKAY
for the Secretary of State
for External Affairs

[17] Note marginale:/Marginal note:
original handed to Mr. Morgan of US Embassy April 2. M. Wershof

686. DEA/50210-40

Déclaration orale[18]

Oral Statement[18]

SECRET [Ottawa, April 2, 1953]

ESTABLISHMENT OF SIX RADAR STATIONS IN ONTARIO AND THREE RADAR STATIONS IN BRITISH COLUMBIA

The Canadian Government is agreeable in principle to the construction and operation of the six radar stations in Ontario and the three radar stations in British Columbia referred to in Note No. D-85 of April 2, 1953, at the expense of the United States Government, and will be prepared to consider proposals to this effect when information is available as to the exact sites and the nature of the structures which the United States Government may wish to erect.

When permission is granted for the construction and operation of the stations, the Canadian Government will make the same requirement for the use of Canadian labour, materials and in particular electronic equipment, as was embodied in the agreement of August 1, 1951. This requirement will be incorporated in the Canadian approval as a matter of principle. The decision as to whether or not it would in actual fact be reasonable and practicable to insist that the electronic equipment be supplied from Canadian sources will rest with the appropriate Canadian authorities.

687. DEA/50210-40

Le chargé d'affaires de l'ambassade des États-Unis au secrétaire d'État par intérim aux Affaires extérieures

Chargé d'Affaires, Embassy of United States, to Acting Secretary of State for External Affairs

NOTE NO. 270 Ottawa, June 5, 1953

SECRET

Excellency:

I have the honor to refer to the Canadian Government's Note No. D-85, dated April 2, 1953, stating that the Canadian Government has granted permission with certain conditions for the United States Government to make surveys of sites for the possible installation of six temporary radar stations in Ontario (to be located at Trenton,[19] Sultan, Wiarton, Peninsula, Fire River and Mattawa), and three proposed

---

[18] Notre copie du document porte l'annotation suivante :
The following was written on this copy of the document:
delivered orally to US Embassy when Note D-85 presented. W.H. B[arton]

[19] Plus tard, Trenton, Ontario, a été remplacé par Cape Sable.
Cape Sable, Nova Scotia was later substituted for Trenton, Ontario.

mobile radar stations in British Columbia (to be located at Birken, Kamloops and Nakusp).

I have the honor to refer also to discussions regarding the carrying out of these surveys which took place at the April, 1953 meeting of the Permanent Joint Board on Defense, United States-Canada. During the meetings the United States Section presented its views on the oral statement which had been given to the Untied States Embassy on April 2, 1952 at the time Note No. D-85 was transmitted. The Canadian Chairman stated that Note No. D-85 had authorized surveys of the several sites and he did not regard the carrying out of these surveys as constituting any commitment whatever on either side.

The United States Government has, therefore, authorized the United States Air Force to cooperate with the Royal Canadian Air Force in carrying out the surveys under the terms contained in Note No. D-85 and with the further understanding that no commitment is thereby undertaken by either Government with respect to conditions of construction and other matters which will require further discussion and consideration.

DON C. BLISS

688. DEA/50210-40

Déclaration orale[20]

Oral Statement[20]

SECRET [Ottawa, n.d.]

Reference is made to the lengthy discussions at the last meeting of the Permanent Joint Board on Defense at which the United States position was fully explained concerning the Oral Statement made by an official of the Department of External Affairs regarding the Canadian conditions for the eventual construction and operation of the proposed nine additional radar stations. This matter has been considered by the various Departments concerned in the United States Government who feel that the proposed conditions would cause great difficulties and that they represent a significant departure from past practice.

The conditions and arrangements agreed on in the Exchange of Notes of August 1, 1951 for the Pinetree Project were arrived at in part because of the nature of that project and the fact that the Canadian Government was bearing a large share of the cost. The conditions cited with respect to the temporary stations appear to go beyond the agreement of August 1, 1951 in that it was stated that "it would be for the Canadians to decide whether or not it would, in actual fact, in any given case be reasonable and practicable for the electronic equipment to be supplied from Canadian sources".

[20] Notre copie du document porte l'annotation suivante :
The following was written on this copy of the document:
(Made by Mr. Morgan of US Embassy to Mr. Wershof June 5, 1953)

The United States Government considers that the language in the notes of August 1, 1951 indicates that the use of Canadian equipment was not a condition precedent to the construction of the stations but was a matter for mutual determination by authorities of the two countries. Such decisions in the past had generally been made on the basis of mutual consultation and on an objective appraisal of the most effective use of the resources of the two countries.

The United States feels that it would not be in consonance with our long-standing joint defense arrangements if a principle were adopted whereby Canada would have the unilateral right to determine in any case that it would be reasonable and practicable for the electronic equipment to be supplied from Canadian sources. The United States would thereby have no voice in the final decision even though this Government supplied all the funds necessary for the construction of a project of joint defense value.

The Government departments concerned and the Permanent Joint Board on Defense supported strongly the principle of reciprocal procurement and have encouraged procurement from Canadian sources and the use of Canadian contractors on many occasions. It is the view of the United States Department of State that Canadian contractors should at every stage have equal opportunity to obtain specifications and to bid on construction of defense projects and that Canadian suppliers should have equal opportunity to furnish equipment on joint defense projects provided that prices, lead time and quality are competitive. The United States Government's opinion is that arrangements for joint defense projects should not be influenced by any commercial considerations or require the development of uneconomic production facilities. Arrangements for joint defense projects should not be such as to increase the cost to the United States, which is already bearing such a heavy burden in the defense of the free world. The President of the United States and the Prime Minister of Canada agreed during their recent meetings in May that defense installations in Canada were in the joint interests of the two countries. In the opinion of the United States, joint defense projects in Canada should be considered on their merits. Arrangements for equipment, manning and construction should be by mutual consultation and agreement, considering always the best and most efficient use of the resources available to the two countries for the joint defense of North America.

The United States Government accordingly hopes that the Canadian Government will reconsider the oral statement transmitted with Note No. D-85.

689. DEA/50210-40

Le ministre de la Production de défense au secrétaire d'État aux Affaires extérieures

Minister of Defence Production to Secretary of State for External Affairs

SECRET Ottawa, October 13, 1953

My dear Colleague,

In connection with northern continental defence and any further extension of the radar screen in Canada, I would like to bring to your attention the need for maintaining our position with regard to the provision of electronic equipment from Canadian sources, when the installations are made on Canadian territory.

This principle was first established in the Exchange of Notes between the United States and Canadian Governments on August 1st, 1951, setting up a radar network for joint defence (now known as Pinetree). In the agreement is a clause which states that, as far as practicable, electronic and other equipment manufactured in Canada will be used. In recent negotiations with United States officials, Canadian officials have affirmed the policy of adhering to the principles expressed in the Pinetree agreement. However, differences of opinion have arisen in connection with the clause covering the supply of electronic equipment. The objections of the United States officials apply particularly to projects in which Canada is not bearing a large share of the cost. The Americans have stressed the point that United States and Canadian contractors should have equal opportunity to furnish equipment for joint defence provided prices, lead time, and quality are competitive, but that the provision of such equipment should not be influenced by commercial considerations, nor require the development of uneconomic production facilities.

From the Canadian point of view, I feel that this position is untenable. The strategic importance of industrial production cannot be overlooked in defence planning nor the need to develop alternate sources of supply in this country. If the Canadian electronic industry is to play an effective part in the joint defence of the North American Continent, it must be given an opportunity to participate in the actual production of electronic equipment, particularly in the field of radar. Changes and technological developments are taking place so rapidly to-day and are resulting in precision-built equipment of such complexity that only through the experience gained in actually manufacturing such equipment can Canadian industry be kept in readiness to meet wartime demands.

In future negotiations, I believe that Canada should continue to support the principle that electronic equipment for radar systems on Canadian territory should, as far as practicable, be manufactured in Canada. It should, however, be made clear that determination of practicability in each instance must be a matter of consultation between Canada and the United States. The basis of such consultation would be recognition of the fact that, in the interests of mutual defence, practicability must include strategic as well as commercial or economic considerations. This would mean that every effort would be made to ensure that the Canadian electronic indus-

try receives sufficient orders to put it in a position to make an effective contribution to the joint defence effort in time of war.

Another impelling reason why electronics gear for all radar in Canada should be provided wherever practicable by the Canadian electronic industry is that unless this position is maintained we can take it for granted that we will not be kept informed of new developments. In that event it is probable we would only hear of such developments when in the American view the time had come to make additions or improvements to the radar screen and then it would be too late for our industry to compete.

I would appreciate it if you would be good enough to advise any of your officers dealing with United States officials on these matters of the importance of bearing in mind the policy outlined above, in order not to jeopardize Canadian industry's position.

I am sending a similar letter to the Minister of National Defence.

Yours sincerely,

C.D. HOWE

690. DEA/50210-40

Le secrétaire d'État aux Affaires extérieures
au ministre de la Production de défense

Secretary of State for External Affairs
to Minister of Defence Production

SECRET Ottawa, October 17, 1953

My dear Colleague,

I wish to acknowledge your letter of October 13, 1953, in which you refer to the need for maintaining our position with regard to the provision of electronic equipment from Canadian sources when radar installations are made on Canadian territory.

I am in complete agreement with your view that in future negotiations, the Canadian Government should continue to support the principle that electronic equipment for radar systems on Canadian territory should, as far as practicable, be manufactured in Canada. As you state in your letter, in recent negotiations with United States officials, Canadian officials have affirmed the policy of adhering to the principle expressed above. However, to ensure that all the officers of this Department who are dealing with United States officials on these matters are aware of the importance attached to the above principle, I have arranged to draw your letter to their attention.

In addition, the Secretary of the Canadian Section of the Permanent Joint Board on Defence has been instructed to circulate copies of your letter to the Members of that Board.

Yours sincerely,

L.B. PEARSON

691. DEA/50210-40

Le secrétaire d'État aux Affaires extérieures au ministre de la Défense nationale

Secretary of State for External Affairs to Minister of National Defence

SECRET Ottawa, November 17, 1953

My dear Colleague,

I refer to a letter dated October 13, 1953, from Mr. Howe to you and me, in which he drew attention to the need for maintaining our position with regard to the provision of electronic equipment from Canadian sources when the installations are made on Canadian territory.

In his letter Mr. Howe requested that Canadian officials dealing with United States officials on these matters should be instructed to bear in mind the importance of safeguarding the position of Canadian industry.

I have been considering this matter further and am of the opinion that it would be advantageous to provide for the information of the United States Government, a formal statement of the Canadian position in this regard. The existence of such a statement should be most helpful to Canadian officials in dealing with American officials, and should ensure against any possibility of misunderstanding on the part of the United States Government.

Attached for your comments is a draft Aide Memoire which I propose should be sent to the United States Department of State.† At the same time, it might be desirable to have General McNaughton make a similar statement at the next meeting of the Permanent Joint Board on Defence. I should be grateful if you would let me know whether you are in agreement with this proposal. For your information, I am sending a similar letter to Mr. Howe.

Yours sincerely,

L.B. PEARSON

692. DEA/50210-40

Le ministre de la Production de défense
au secrétaire d'État aux Affaires extérieures[21]

Minister of Defence Production
to Secretary of State for External Affairs[21]

SECRET Ottawa, November 23, 1953

My dear Colleague,

Thanks for your letter of November 17th and for letting me see a copy of the proposed Aide Memoire directed to the Secretary of State of the United States regarding the use of Canadian equipment for installations within Canada, regardless of whether these are paid for by Canada or by the United States.

At the moment, we have no complaint about our treatment in this regard, as we have succeeded in getting practically all the equipment presently installed made in Canada.

While a Canadian contractor secured the Canadian section of the pipeline to Alaska, the pipe itself was bought in England. However, a Canadian firm was given every opportunity to tender, and lost the business on price. Canada can have no objection to this situation.

In the circumstances, I doubt the desirability of forwarding this Aide Memoire at this time. Unfortunately, I have not been able to discuss the matter with Mr. Claxton, but I will do so and write you further after obtaining his views. It seems to me that there would be an advantage in filing the Aide Memoire only after we experience difficulty with the United States in carrying out the terms of the present understanding.

I am always reluctant to complain to the US when there is no present reason for the complaint. It seems to me that this weakens our position when we have cause to complain.

Yours sincerely,

C.D. HOWE

---

[21] Une note manuscrite était annexée à ce document :
The following hand-written memorandum was attached to this document:
[For action] To USSEA [Under-Secretary of State for External Affairs] — Mr. [C.S.A.] Ritchie & DL[Defence Liaison] 1: I told Mr. [C.D.] Howe that we would hold up the aide memoire but reminded him that the idea came from him in the first place. L.B. P[earson]

693. DEA/50210-40

Le ministre de la Défense nationale
au secrétaire d'État aux Affaires extérieures

Minister of National Defence
to Secretary of State for External Affairs

SECRET Ottawa, December 3, 1953

My dear Colleague,

Thank you for your letter of November 17 about the provision of electronic equipment from Canadian sources for installations on Canadian territory.

I took the opportunity of discussing this in a preliminary way with Mr. Howe as it is primarily of concern to him. I understand that he rather feels that for the present at least this has been sufficiently covered in conversations he has had with Mr. Wilson and others.

If it were decided to send some communication, I think it might be, if possible, less formal in character and in language. It might take the form, for example, of one or more letters from minister to minister.

Another way of doing it would be to have a note put on the minutes of the Permanent Joint Board on Defence.

A third suggestion might be to raise this at the first meeting of the ministers dealing with economic questions.

Yours sincerely,
BROOKE CLAXTON

SECTION H

SOUVERAINETÉ DANS L'ARCTIQUE
ARCTIC SOVEREIGNTY

694. DEA/50209-A-40

Projet d'une note du secrétaire d'État aux Affaires extérieures pour le Cabinet[22]

Draft Memorandum from Secretary of State for External Affairs to Cabinet[22]

SECRET Ottawa, January 21, 1953

THE CANADIAN ARCTIC[23]

Official interest in the Canadian Arctic has increased substantially since the Joint Arctic Weather Stations were established in 1947. Since that time, the display of interest, the expenditure of money and the exploitation of manpower in the Canadian Arctic Archipelago has been at least as great by the United States as by Canada, and in some respects greater. New defence projects may increase US activity; a list of such projects which have come to the attention of the Department of External Affairs is attached. It is not certain that requests will be made for all these activities, but they may be considered an indication of a progressive increase in defence activity in the Arctic. In the circumstances, it seems desirable to examine the extent of Canadian and US activity in the Arctic, with particular relationship to the maintenance of Canadian sovereignty, and to consider whether, and in what fields, further Canadian activity is justified to serve Canadian interests of a political, administrative, scientific or military nature. Since Arctic plans take long to execute, the consideration of future policy should be pursued aggressively. I suggest at the outset that to preserve the Canadian position the first approach is to consider means, not to restrict US activities, but to develop our own.

The main continuing activity in the Arctic Archipelago is centred at the five Joint Arctic Weather Stations where half the meteorological staff is Canadian. There are small Canadian weather stations at Arctic Bay and at Pond Inlet. At Resolute Bay, near the Joint Weather Station, there is an RCAF station. There is an Arctic Survival School open in the winter months at Cambridge Bay in the Southern Archipelago. These are the only exclusively Canadian installations and the total number of Canadian officials in the entire Archipelago is less than fifty. This figure is now matched by the United States which, in addition to supplying half the mete-

---

[22] Notre copie du document porte l'annotation suivante :
The following was written on this copy of the document:
Mr. Wilgress. I used this today in bringing the matter before Cabinet. L.B. P[earson]

[23] Notre copie du document porte l'annotation suivante :
The following was written on this copy of the document:
Note for file — this memo was drafted by Mr. [R.A.J.] Phillips of Cabinet Office and given to the Minister by Mr. Pickersgill. The Minister used the memo in talking at Cabinet on Jan[uary] 22. M. Wershof

orological staff, operates an exclusively US weather station at Padloping and mans a floating ice island within the Canadian sector. Transient US Officials, whether civil or military, outnumber Canadian transients in the summer months. Present indications point towards an increase of US activity.

If Canadian claims to territory in the Archipelago rest on discovery and continuous occupation, Canadian rights to some relatively unexplored areas may in the future be questioned. For the present, however, the problem is not formal claims to territory since the US Administration has been entirely reasonable and co-operative in Arctic matters. Of more concern is the de facto exercise of US sovereignty, examples of which were numerous during the last war in other parts of Canada. Misunderstandings and petty incidents in recent years have not been lacking, but fortunately few of these have come to public notice. An increasing proportion of US activity in the Arctic would, however, present greater risks of misunderstandings, incidents and infringements of Canadian sovereignty.

Many solutions may be applied to the political and administrative problems which already exist in the Arctic and which may arise in future. Some of the solutions would involve the expenditure of money to enable Canada to undertake developments, particularly in airfield construction and electronic facilities, which both countries consider necessary. Other solutions may be possible without the expenditure of significant amounts of money. In this category may be included such measures as the conclusion of diplomatic agreements with the United States covering US rights and responsibilities in the Canadian Arctic and the organization through committees or departments of machinery to keep under review some of the civil and military problems which are likely to arise.

The Advisory Committee on Northern Development, which has not met recently, is charged with responsibility "to advise the government on questions of policy relating to civilian and military undertakings in Northern Canada and to provide for the effective coordination of all government activities in that area". I recommend that the Advisory Committee on Northern Development should be instructed to consider all phases of development of the Canadian Arctic and to report to Cabinet on the present situation and on the means which may be employed to preserve or develop the political, administrative, scientific and defence interests of Canada in the area.

[PIÈCE JOINTE 1/ENCLOSURE 1]

Note

Memorandum

[Ottawa, n.d.]

LIST OF POSSIBLE DEVELOPMENTS IN THE ARCTIC FOR THE COMING YEAR, MAINLY AS A RESULT OF US REQUESTS

(This is substantially the same as the list given in the memorandum of December 29).[24]

[APPENDICE/APPENDIX]

Nouveaux projects d'aménagements dans l'Arctique

Prospective New Developments in the Arctic

SECRET

1. *Distant Early Warning Radar Chain (Project Lincoln)*

The US Government has allocated $20,000,000 for the establishment of three or four experimental early warning radar stations in the Arctic with a view to the ultimate development of a complete radar chain of possibly 40 stations extending across the Canadian Arctic archipelago. The United States will probably wish to set up the experimental stations in the general area of the Mackenzie River delta. Some or all of the experimental stations may well be located in the adjacent area of Alaska but this remains to be settled.

2. *Development of Arctic Air Strips*

The USAF has indicated that it proposes to approach Canada for permission to develop the air strips at the two northernmost joint Arctic weather stations on Ellesmere Island, i.e. Alert and Eureka. In addition, the USAF would like to construct an air strip at River Clyde on Baffin Island. The USAF proposes that these air strips be developed in order that they would be suitable for emergency landing for the heaviest freighter aircraft and for jet fighters. The USAF feels that these developments are required to meet the need for emergency alternatives for aircraft based at Thule and for Arctic resupply missions.

3. *Loran Station on Baffin Island*

The United States wishes to establish a Loran station on the east coast of Baffin Island to assist ships and aircraft en route to Thule and other Arctic destinations. It should be noted that it was only in 1952 that the Canadian Government decided to take over the last three Loran stations under US control on the Atlantic coast and the transfer does not take place until July 1953.

---

[24] Voir le volume 18, le document 744./See Volume 18, Document 744.

4. *Radar Stations in the Northeastern Arctic*

Over a year ago the United States was given permission to make surveys as a preliminary to the establishment of radar stations on Ellesmere and Coburg Islands for the protection of Thule. During the Spring air lift in 1952, the USAF investigated the possibility of putting these radar stations in the vicinity of the joint Arctic weather stations at Alert, Eureka and, or Resolute. Resolute with about 35 Canadians has the largest Canadian community in the Arctic archipelago. Alert and Eureka have 7 Canadians between them. Each US radar station would probably be manned by about 200 US service men.

5. *Commercial Air Routes Across the Arctic*

The Canadian Government has received a request for consideration of the possibility of opening up a commercial air route from Edmonton across the Canadian Arctic to Thule and thence to Europe. If or when this route is approved a variety of airways facilities will be required.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Assistant Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

[Ottawa, n.d.]

Mr. Wilgress

You will recall that we sent up a memo a short time ago suggesting a meeting of General Young's[25] committee on the Arctic. The Minister approved.

We now discover parallel action was being taken in the Privy Council. Phillips prepared a memo for Mr. Pickersgill which was shown to the PM and quite informally to Mr. Pearson when, I think, he was in Pickersgill's office. The PM was somewhat concerned over Arctic policies, as was Mr. Pearson who mentioned he had already approved the calling of a meeting.

I understand Mr. Pickersgill is prepared to ask General Young to call his committee together. I think we might let him go ahead, since it is really an interdepartmental matter, and drop our letter to General Young.

R.A. M[ACKAY]

[25] Major-général H.A. Young, sous-ministre des Ressources et du Développement économique et plus tard sous-ministre des Travaux publics.
Major-General H.A. Young, Deputy Minister of Resources and Development, later Deputy Minister of Public Works.

695. **PCO**

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], January 22, 1953

. . .

ARCTIC; REVIEW OF US AND CANADIAN DEVELOPMENTS

30. *The Secretary of State for External Affairs* pointed out that interest in the Canadian Arctic had increased substantially since the joint Arctic weather stations were established in 1947. The display of interest, the expenditure of money and the exploitation of manpower in the Canadian Arctic Archipelago had been at least as great by the United States as by Canada, and in some respects greater. The main continuing activity was the weather station programme at the five joint arctic weather stations. Half the meteorological staff at these stations was Canadian. There were also small Canadian weather stations at Arctic Bay and at Pond Inlet. At Resolute Bay, there was an RCAF station and an Arctic Survival School was conducted during the winter months at Cambridge Bay in the southern Archipelago. These were the only exclusively Canadian stations and the total number of Canadian officials in the entire Archipelago was less than 50 men. This figure was now matched by the United States which, in addition to supplying half the meteorological staff, operated an exclusively US weather station at Padloping and manned a floating ice island within the Canadian sector. Transient US officials both civil and military, outnumbered Canadian transients during the summer months.

Everything pointed towards an increase in US activity in the Arctic during coming years. Several new US projects had recently come to the attention of the Department of External Affairs. The largest of these if implemented, would involve eventually the establishment of a chain of 40 radar stations right across the Arctic. As a first step in this programme, the United States government had allocated $20,000,000 for the establishment of three or four experimental radar stations probably in the general area of the Mackenzie River delta. The US Airforce had also indicated that it might approach Canada for permission to develop air strips at the two northernmost joint Arctic weather stations on Ellesmere Island. In addition, the USAF would like to construct an air strip at River Clyde on Baffin Island. The USAF proposed that these air strips be constructed in such a manner as to be suitable for emergency landing by the heaviest freighter aircraft and by jet fighters. The United States also wished to establish a Loran station on the east coast of Baffin Island. Over a year ago, the United States had been given permission to make surveys as a preliminary to the establishment of radar stations on Ellesmere and Coburg Islands for the protection of Thule. A request had also been received by the Canadian government for consideration of the possibility of opening up a commercial air route from Edmonton across the Canadian Arctic to Thule and thence to Europe.

If Canadian claims to territory in the Arctic rested on discovery and continuous occupation, Canadian claims to some relatively unexplored areas might be questioned in the future. He was concerned about the *de facto* exercise of US sovereignty, examples of which were numerous during the last war in other parts of Canada, and it seemed clear that an increase in US activity in the Arctic would present risks of misunderstandings, incidents and infringements on the exercise of Canadian sovereignty.

In the circumstances, he urged strongly that the Advisory Committee on Northern Development, which had not recently been active, be directed to consider all phases of development of the Canadian Arctic and to report on the present situation and on the means which might be employed to preserve or develop the political, administrative, scientific and defence interests of Canada in that area.

(Minister's memorandum, Jan. 21, 1953)

31. *The Minister of Agriculture* thought the problem was a serious one and that steps should be taken immediately to ensure that Canadian sovereignty was not imperiled by the continued and increasing exercise of *de facto* US jurisdiction in many parts of the Arctic Archipelago.

32. *The Minister of National Defence* said the last quarterly report received from the Pentagon on the subject revealed that there was a decrease in the total numbers of civilian and military US personnel in all parts of Canada except Newfoundland and Labrador.

He was satisfied that everything which could be done had, in fact, been done in respect of existing US activities in Canada to ensure preservation of Canadian sovereignty. There were several cases of US military developments in northern Canada having eventually been taken over by Canada. Nonetheless, continued US activity in the North presented a problem and he agreed that the matter should be looked into by the Advisory Committee and reported on as soon as possible.

Referring to US proposals for the establishment of a chain of 40 radar stations across the Arctic, he pointed out that it was not yet established by any means that radar could successfully be operated that far north. Such a programme would represent a very large outlay of money and manpower. Each station would cost from $6 to $15 million and would be manned by 100 to 300 persons. In this connection, he said that a possible substitute for radar was now being developed by his department in cooperation with McGill University. If this development proved successful, it might be possible to establish a chain of warning stations across the Arctic at a fraction of the cost involved in the proposed radar system.

33. *The Prime Minister*, in reply to a question as to how the matter of sovereignty was met in NATO developments in western European countries, pointed out that no parallel could be established between the situation in western Europe and the situation which might develop in the Canadian Arctic. A NATO establishment in, say, Germany was, in fact, sponsored and paid for by all NATO members and not by a single foreign state as was the case with US installations in the Canadian Arctic. Furthermore, such NATO establishments in Europe represented a very small fraction of the sum total of human activity in those areas and thus did not in any sense constitute a threat to the sovereignty of the state within which they were located,

whereas it was within the realm of the possible that in years to come US developments might be just about the only form of human activity in the vast wastelands of the Canadian Arctic. This was the problem which had to be met. In the deliberations of the Advisory Committee some thought might usefully be given to the possibility of ensuring in some practical manner extension of normal Canadian customs and immigration facilities to those areas in the Arctic where the more important developments were taking place.

34. *Mr. Pearson* suggested that the Advisory Committee might usefully give consideration to the formulation of "principles of cooperation" in respect of the Arctic which might in future govern US-Canadian relations, in all matters pertaining to that area.

35. *The Cabinet* after considerable further discussion, noted the report by the Secretary of State for External Affairs on current and prospective Canadian and US developments in the Arctic Archipelago and directed the Secretary to request the Chairman of the Advisory Committee on Northern Development to have that Committee consider and report periodically on all phases of development of the Canadian Arctic and on the means which might be employed to preserve or develop the political, administrative, scientific and defence interests of Canada in that area.

. . .

SECTION I

LE RÉSEAU D'ALERTE AVANCÉ ET LA LIGNE MID-CANADA
DISTANT EARLY WARNING SYSTEM AND MID-CANADA LINE

696. DEA/50286-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

DESPATCH 211 Washington, January 31, 1953

TOP SECRET

STATE DEPARTMENT NOTE OF JANUARY 30 REGARDING US PROPOSALS CONCERNING AN EARLY WARNING SYSTEM IN THE FAR NORTH

I enclose herewith, two copies of a State Department note, dated January 30, containing the proposals of the United States Government for an experimental programme, known as Project "Counterchange", to investigate the feasibility of an early warning air defense system in the Far North. The note requests the approval of the Canadian Government to make preliminary site surveys and to construct two of the three experimental stations on Canadian soil. Permission is also requested to make surveys concurrently for the selection of the sites and to make preliminary arrangements for a permanent system, which it is planned to construct if the experi-

ments prove successful and if it is desired to build a chain under a mutually satisfactory agreement between the two governments.

This matter has been the subject of discussions at the meetings of the Permanent Joint Board on Defense which began on January 26, 1953. The necessary explanatory data, including maps and technical information, is now being assembled by the US authorities and will be transmitted to you through this Embassy within a few days.

You will observe that this matter is stated in the note to be one of urgency and I should appreciate being informed of the reply which should be made to the State Department.

H.H. WRONG

[PIÈCE JOINTE/ENCLOSURE]

Le secrétaire d'État par intérim des États-Unis à l'ambassadeur aux États-Unis

Acting Secretary of State of United States to Ambassador in United States

TOP SECRET Washington, January 30, 1953

Excellency:

I have the honor to refer to recent discussions between representatives of the United States and Canada in the Permanent Joint Board on Defense on January 26, 1953, regarding the United States proposals for an experimental program, known as Project "Counterchange", to investigate the feasibility of an early warning system in the Far North. Details of the project were presented for the information of the Canadian Members of the Board, who considered it vitally important that the matter be given prompt consideration by their Government. It was agreed that a diplomatic note setting forth the desires of the United States Government should be presented to the Canadian Government.

Accordingly, I have the honor to state that authorities at the highest level of my Government consider that there is an urgent necessity for an early warning system in the Far North to provide time to enable the Canadian and United States Governments to take appropriate measures for military and civil defense. A much earlier warning is required than can be given by the existing joint radar system. The Secretary of Defense has therefore been directed to proceed immediately on the experimental phase of the project, which envisages the construction of three stations in the Far North. It is proposed that two of these stations be in Canada and one in Alaska. The United States Air Force has been given the responsibility for carrying out the research and development aspects of the program (Project "Counterchange").

My Government therefore requests the approval of the Canadian Government to make preliminary site surveys and to construct two of the three experimental stations on Canadian soil. Permission is also requested to make surveys concurrently

for the selection of sites and to make preliminary arrangements for a permanent system, which it is planned to construct if the experiments prove successful and if it is desired to build the chain under a mutually satisfactory agreement between the two Governments.

Present plans propose that the stations in the western Canadian Arctic would be at Herschel Island and at Aklavik; the third experimental station would be on Barter Island, Alaska. If it were decided at a later date to implement the plan for the permanent early warning system, these stations would become operating units in the chain. The United States Government considers it urgent that the three experimental stations be installed during the coming open-navigation season in the Arctic. Therefore, the United States Government hopes that the approval of the Canadian Government can be received at an early date.

The United States Secretary of Defense has approved the use of twenty million dollars for the developmental stage of the early warning net and these funds are available to the United States Air Force. The United States Government is therefore prepared to meet all expenses in connection with the three experimental stations; at the same time, my Government would welcome Canadian participation in the project, both financial and technical.

I should like to emphasize that Canadian participation in the experimental phase of the program would materially advance the work if it were subsequently decided to establish the complete system.

At the recent meeting of the Permanent Joint Board on Defense, the Canadian Chairman asked that the United States Government's request contained in this note be explained by accompanying maps, technical data, and other pertinent information. The United States authorities are now assembling the desired data, and these materials will be transmitted to the Canadian Embassy within a few days.

My Government, as I have previously indicated, considers the above-mentioned proposals a matter of the utmost importance to the joint defense of the United States and Canada. In view of the urgency attached to the project, it will be appreciated if the Government of Canada will give the matter its most prompt and favorable consideration.

Accept, etc.

H. FREEMAN MATTHEWS

697. DEA/50286-40

Note du secrétaire d'État aux Affaires extérieures pour le Comité de la Défense du Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet Defence Committee

TOP SECRET [Ottawa], February 6, 1953

EXPERIMENTAL PROJECT "COUNTERCHANGE"

At the January 1953 meeting of the Permanent Joint Board on Defence, the US Section presented for consideration with the utmost urgency a proposal to proceed immediately on experimentation for an early warning system in the Far North. It was stated that if these experiments were successful, the US Government would desire to approach the Canadian Government to establish a portion of a permanent early warning system on Canadian soil under such arrangements for joint implementation as might be agreed upon by the two Governments. In the experimental stage, which the US Secretary of Defense had been directed by the President to embark upon immediately, it was proposed to establish three stations in the Far North during the coming open season in the Arctic. Two of these stations would be situated in Canada (at Herschel Island and Aklavik) and one in Alaska (at Barter Island). The Canadian Section was informed that a request would be made shortly through diplomatic channels for permission to undertake preliminary surveys for sites and to enter upon construction of the experimental stations. Further, during this experimental stage, permission would be requested to make preliminary surveys for the permanent sites and to make provision for entering upon the full project if the experiment proved successful and when it was determined to implement the project under such agreement as might be made between the two Governments.

2. On January 30, 1953, the Canadian Ambassador in Washington was presented with a diplomatic note putting forward the requests outlined above. Attached is a copy of the US note together with a copy of the covering despatch from the Canadian Ambassador in Washington and a record of a meeting which took place between the Canadian Ambassador in Washington and a senior official of the US State Department in connection with the US proposal.

3. The US proposal is here submitted for discussion at the meeting of Cabinet Defence Committee to be held on February 10, 1953.

L.B. PEARSON

698. DEA/50286-40

Compte rendu de la décision du Comité de la Défense du Cabinet

Record of Cabinet Defence Committee Decision

SECRET [Ottawa], February 10, 1953

ITEM III — EXPERIMENTAL PROJECT "COUNTERCHANGE"

Memorandum, Secretary of State for External Affairs, February 6, 1953, "Experimental Project Counterchange", Document D4-53.

The Committee agreed that the Secretary of State for External Affairs should be authorized to inform the US government that Canada approved the US request to conduct Experimental Project Counterchange on the following conditions:

(i) The project would be regarded entirely as experimental, and approval of the project would involve no commitment whatsoever to the Canadian government to give favourable consideration to a permanent radar chain across the Canadian Arctic;

(ii) There would be full Canadian participation at all levels;

(iii) Project Counterchange would be both a technical trial and an operational evaluation of the scheme;

(iv) A joint study group would be formed to examine not only the possibility of establishing radar stations in the Arctic but would also assess the relative value of additional radar stations in various parts of northern North America;

(v) All sites in Canadian territory would be subject to explicit approval by Canada;

(vi) Canada would bear no financial responsibility for the cost of constructing the stations or of providing or installing the equipment;

(vii) Conditions for ownership of land, buildings and equipment on Canadian sites would be as set forth in the Exchange of Notes on August 1, 1951, on the extension of the continental radar defence system (Pinetree).

699. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], February 26, 1953

. . .

ARCTIC DEFENCE; CANADA-UNITED STATES CO-OPERATION

14. *The Minister of National Defence, as Acting Secretary of State for External Affairs*, said that, on January 30th the US Secretary of State had sent a note to the Canadian Ambassador in Washington proposing that two experimental radar sta-

tions be established in Canadian territory, one on Herschel Island and the other at Aklavik. He submitted a draft note which he recommended be sent in reply.†

An explanatory memorandum was circulated.

(Minister's memorandum, Feb. 25, 1953† and attached draft note — Cab. Doc. 59-53†)

The proposed stations would be tied in with a third to be established in Alaska and with the US defence system there. If a trial with the three indicated that such advance warning stations were desirable, there might be a proposal by the United States to establish a chain of 40 stations stretching to the northern tip of Greenland. It had been suggested that the cost of such a chain would be about $200 million but it seemed more likely that it would cost many times that amount. Manpower involved would be very great. The plan for the three experimental stations had grown out of pressure by the US Civil Defence Organization to have some greater means of early warning of an attack. The project had been discussed in the Permanent Joint Board on Defence.

15. *In the course of discussion* it was suggested:

(a) that, as the proposal concerned US defence and as the United States was to undertake the full cost of the experimental stations, it would be difficult not to agree;

(b) that it should be made clear in the note that a condition of approval was that the United States turn over to Canadian authorities any data of scientific value concerning Canada acquired in carrying out the surveys or other work; and,

(c) that it would be desirable for the Minister of Resources and Development to notify the responsible authorities in the Yukon and Northwest Territories of the proposed developments as soon as possible.

16. *The Cabinet*, after discussion, approved the recommendation of the Acting Secretary of State for External Affairs and agreed:

(a) that a draft note in accordance with the terms submitted be sent by the Canadian Ambassador in Washington to the Secretary of State of the United States concerning Canadian approval of and conditions attached to the establishment of two experimental early warning radar stations in the general region of Aklavik, Northwest Territories and Herschel Island, Yukon Territory and the making of surveys for the selection of sites for a possible permanent system of stations, on the understanding that the note would be modified before despatch to make clear the understanding that the US authorities would make available to the Canadian authorities any information of scientific value acquired in carrying out the project; and,

(b) that the Department of National Defence advise the Minister of Resources and Development when and to what extent it would be possible for him to give information to the authorities responsible for the administration of the Northwest Territories and the Yukon Territory concerning the projects to be undertaken.

. . .

700. DEA/50286-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

DESPATCH 418 Washington, February 27, 1953

TOP SECRET

PROJECT COUNTERCHANGE

Reference: Your teletype EX-357 of February 26, 1953.†

I enclose two copies of the note on this subject which was delivered to the State Department today, as reported in my teletype WA-520† of today's date.

H.H. WRONG

[PIÈCE JOINTE/ENCLOSURE]

L'ambassadeur aux États-Unis
au secrétaire d'État des États-Unis

Ambassador in United States
to Secretary of State of United States

NOTE NO. 163 Washington, February 27, 1953

TOP SECRET

Sir,

I have the honour to refer to your note of January 30, 1953, proposing an experimental programme known as Project Counterchange. My Government has considered these proposals and, having regard for the importance which the United States Government attaches to them in relation to the joint defence of the two countries, is pleased to approve: the making of preliminary site surveys for, and the construction of, two experimental early warning stations in the general region of Aklavik in the Northwest Territories and Herschel Island in the Yukon Territory, together with the intermediate unattended stations which it is understood are required to complete the experimental installation; and the making of surveys concurrently for the selection of sites for a possible permanent system should the installation of such a system be undertaken subsequently under a mutually satisfactory agreement between the two Governments. My Government is also pleased to participate in the conduct of the experimental programme, it being understood that the United States Government, as indicated in your note, will meet all expenses in connection with the experimental installations.

The Canadian Government requires, however, that its approval of the United States proposals shall be subject to the following conditions:

1. Canadian approval of, and participation in, Project Counterchange involves no commitment on the part of the Canadian Government to authorize the subsequent installation of an operational early warning chain.

2. A Joint Military Study Group designated by the Chiefs of Staff of each country shall be set up immediately with instructions to study those aspects of the North American Air Defence system in general, and the early warning system in particular, which are of mutual concern to the two countries. The Canadian and United States sections of the Military Study Group shall respectively report to their Governments through the respective Chiefs of Staff. The Military Study Group will be advised by a joint United States-Canada scientific team, whose primary task will be to carry out such operational research and other scientific studies as are required.

3. Project Counterchange should be planned and carried out so that it is not only a technical trial but also facilitates making an assessment of this element of a continental early warning system. The information obtained from the Project would thus be capable of being utilized by the Military Study Group and the joint scientific team.

4. All installations on Canadian territory in connection with Project Counterchange will be operated and maintained while there is a continuing need for them in order to carry the experiment to a conclusion. In the event that either Government wishes to discontinue the operation of any or all of the installations, the question of continuing need in relation to the experimental Project will be referred to the Permanent Joint Board on Defence. If it is decided at any time in the future by either Government following consideration by the Permanent Joint Board on Defence as provided above, that the facilities are no longer necessary for the purpose of the experiment, the land, together with any immovable fixtures on it, will on twelve months notice revert to the use of the Canadian Government, unless the two Governments should agree on the subsequent use of the installations for other purposes.

My Government desires to affirm its policy that, exclusive of any question of division of costs, and of tenure, which must of course be settled in respect to particular projects, all radar installations on Canadian territory will be carried out in accordance with the principles expressed in the Exchange of Notes of August 1, 1951, with respect to the radar extension programme. In view of the limitations imposed by the urgency and experimental nature of Project Counterchange the Canadian Government is prepared, in this case, to waive the requirement that construction should be carried out by Canadian agencies, using Canadian labour, materials and electronic equipment. The following principles and requirements will, however, be observed: (for convenient reference they are numbered to follow the preceding conditions)

5. Officials of the Canadian Government will participate in all surveys and the arrangements therefor to be carried out in Canada, and the selection of all sites on Canadian territory shall be subject to approval by the Canadian authorities. It is understood that any information of scientific value acquired in carrying out the Project would be made available to the Canadian authorities.

6. Canada will acquire and retain title to all sites which are agreed to be required in Canada for Project Counterchange. The Canadian Government hereby grants and assures to the United States Government without charge such rights of access, use and occupancy as may be required for the construction, equipment and operation of the stations pursuant to sub-paragraphs 1 to 4 of this note.

7. Within the sites made available to the United States Government pursuant to sub-paragraphs 5 and 6 of this note, the United States, so far as may be consistent with the laws of Canada, may do whatever is necessary or appropriate to the carrying out of its responsibilities in Canada in connection with the construction and equipment of the installations and the conduct of the experiment in accordance with the principles expressed in this note, including:

(a) construction, installation and operation of the necessary structures, facilities and equipment and such improvement of the sites as may be required to fit them for their intended use, provided that there shall be prior consultation with the appropriate Canadian authorities with respect to all major elements of construction and all installations of major equipment in order to avoid interference with other urgent projects in this particular area. Complete details of airstrips and other facilities for aircraft landing and servicing should also be included; and

(b) stationing of personnel under the control and command of United States Military authorities.

8. Ownership of all property brought into Canada or purchased in Canada by the United States Government and placed on the sites other than structures permanently affixed to the realty shall remain in the United States Government. The United States Government shall have the unrestricted right to remove or dispose of all such property provided that the removal or disposition shall not impair the operation of any station whose discontinuance has not been determined in accordance with the requirements of sub-paragraph 4 of this note, and provided further that removal or disposition takes place within a reasonable time after the date on which, in accordance with the provisions of sub-paragraph 4 of this note, the operation of the particular station has been discontinued.

9. The rates of pay and working conditions for all labour employed in construction of the installations in Canada will be set after consultation with the Canadian Department of Labour and will not be less than in accordance with the Canadian Fair Wages and Hours of Labour Act of 1935.

10. Canadian law (e.g. Tax Law, Labour Laws, Workmen's Compensation, Unemployment Insurance etc.) will apply. The importance of this requirement is to be drawn to the attention of all contractors.

11. Canada will take the necessary steps to facilitate the admission into the territory of Canada of such United States citizens as may be employed either on the construction of the installations or the conduct of the experiment, it being understood that the United States will undertake to repatriate at its own expense any such persons if the contractors fail to do so.

12. All radio frequencies used in Canadian territory in connection with Project Counterchange will be cleared through the Royal Canadian Air Force with the Department of Transport.

13. Personnel engaged in any way on Project Counterchange shall observe the Game and Wild Life Laws of the Northwest Territories and Yukon Territory as applicable and shall avoid any unnecessary contact with the natives.

My Government has noted that the United States Air Force has been designated by the United States Government as responsible for carrying out the research and development aspects of Project Counterchange. The Canadian Government for its part has, as a preliminary measure, named the Royal Canadian Air Force as the Canadian agency responsible to ascertain all details of the Project. When full information is known it will then be decided whether the Royal Canadian Air Force or the Defence Research Board will be the continuing agency for participation in the Project.

In accordance with the principles stated in this note, I propose that further details concerning the construction and equipment of the installations and the conduct of Project Counterchange shall be settled by subsequent arrangements between the appropriate authorities of the two Governments, through the aforementioned designated agencies.

Accept, etc.

H.H. WRONG

701. DEA/50286-40

Extrait d'une note du ministre de la Défense nationale

Extract from Memorandum by Minister of National Defence

TOP SECRET [Ottawa], March 10, 1953

The following is a summary of impressions gained during talks in Washington on Friday, February 27, 1953, in the course of which I met the Honourable C.E. Wilson, Secretary of Defense, Honourable R.T. Stevens, Secretary of the Army, Honourable R.B. Anderson, Secretary of the Navy, Honourable R.M. Kyes, Deputy Secretary of Defense, Frank Nash, W.J. MacNeil and John A. Hannah, Assistant Secretaries of Defense, Earl Johnson, Under-Secretary of the Army, H. Lee White, Assistant Secretary for Air, General Lawton J. Collins, Chief of the General Staff, Admiral William M. Fechtler, Chief of Naval Operations, General Hoyt S. Vandenberg, Chief of the Air Staff, General Twining, Vice Chief of the Air Staff, and several others, as well as General D. Bedell Smith, Under-Secretary of State.

(1) *Project "Counterchange"*

Mr. Wilson and his colleagues were all aware of this project and were acting on the assumption that it was urgent and important. Some of them had already received word that our Embassy had already, that morning, handed our note to the State Department accepting the American proposal, subject to the conditions as agreed to by our Cabinet at its meeting the previous day.

I told Mr. Wilson, Mr. Anderson and a number of others that we were by no means persuaded that the proposed additional screen would add sufficiently to our defence to justify the expenditures of money and manpower. I pointed out that the

appearance of a single identified enemy aircraft might result in our alerting all of North America. This idea had not been suggested to them before.

Mr. Frank Nash, who still holds the same posts as he did under the previous regime, confirmed General Foulkes' account of the origin of this project. It resulted from an original suggestion for a basic study made by the USAF. This was submitted to a group of scientists and others which met last summer at MIT to consider air defence, with particular emphasis on early warning for civil defence. In consequence a strongly worded report had been made to the President, pressed by Gorrie[26] and Dickinson, urging that a screen of this kind would give six hours additional warning. To this, Mr. Truman said that something should be done about it. Without prior consideration by the Pentagon, the project was put before the National Security Council, which gave instructions that the project for the complete screen across the north should be completed by 1955. Mr. Kelly, the head of Bell Laboratories had been working on the development of early warning radar. I gathered that he had been instructed to proceed with the technical trials of three stations to be set up in the northwest of the continent. Mr. Nash was emphatic that the former Secretaries of Defense, expressly including by name Mr. Finletter, had been sceptical of the plan and critical of the way in which it had been pressed forward. I gathered that Mr. Wilson and his assistants were not familiar with the background and in any event, had had no opportunity to give any serious consideration to this matter.

I understand that the USAF and Bell Laboratories are ready to begin moving material to the proposed sites at once so that the stations can be completed at the earliest possible moment. Mr. Nash also expressed the view that the present directive was to proceed with construction of the whole chain.

702. DEA/50212-40

Le président de la section canadienne de la Commission permanente canado-américaine de défense au ministre de la Défense nationale

Chairman, Canadian Section, Permanent Joint Board on Defence, to Minister of National Defence

TOP SECRET Ottawa, April 28, 1953

Dear Mr. Claxton,

STATUS OF CANADA-US MILITARY PLANNING

As you may have noted in your study of the Journal of the April 1953 meeting of the Permanent Joint Board on Defence, the Chairman of the US Section of the Board presented a paper on the status of Canada-US military planning with particular reference to the preparation by the Military Cooperation Committee of a Future

---

[26] Jack Gorrie, président de la National Security Resources Board des États-Unis.
Jack Gorrie, Chairman, National Security Resources Board of United States.

Defence Analysis. A copy of the US Chairman's paper is attached for convenient reference.† This paper was discussed in the Journal as Item 16.

2. As I understand the situation, Canadian Military planners have not, since 1950, been permitted to include in any combined Canada-US papers, force requirements which have not already been provided for in approved defence programmes. The reason for this restriction has been, of course, that while the requirements indicated in the plans could not be considered commitments from a legal point of view, in actual practice they might be held to be an affirmation of a military necessity and so to constitute a very real commitment.

3. It seems to me, however, that although this position was a valid one in 1950, the events of 1953 have overtaken it. As the matter now stands the Canadian Government with its peacetime military resources largely committed in Korea and Europe, is in effect presented by the United States with a long list of North American defence requirements and the statement that "these requirements must be met for our mutual security, and if you cannot do it, we will be glad to". Under such circumstances, it seems to me to be of cardinal importance that the Canadian Government should be able to satisfy itself that the US demands are in fact based on sound military and technical considerations and that the plans put forward by the United States are appropriate to the needs of the situation.

4. In the discussion at the PJBD meeting, the Chairman of the US Section made it clear that the US Government neither could nor would concede that plans for the defence of North America in future years should be based on present capabilities rather than on estimated military requirements. He said:

"To produce a productive programme for the future defence of Canada and the United States, the military planners must be given the authority to develop plans which are produced in accordance with sound military planning principles. It is recognized that the fulfillment of requirements in any plans so drawn would of course be subject to review by the respective Chiefs of Staff and further review on the basis of political and economic considerations prior to their approval by the United States and Canada at the governmental level. Such reviews should be conducted at levels above the MCC and the military plans in that Committee should not be circumscribed by these factors."

5. In the light of the above presentation of US views, I can but conclude that if Canadian military planners are not permitted to work with their US counterparts, then plans in which we are vitally concerned will be developed by US officers and firmed up without regard to Canadian interests. As a consequence, the Canadian Government will continue to be confronted piecemeal with a series of US military operating requirements on Canadian territory which it will be difficult if not impossible to deny.

6. I am aware that in requiring as a condition of Canadian approval of Project Counterchange the establishment of a joint military study group to consider air defence requirements with particular reference to early warning, we have in this one important aspect of our joint defence interests met the views which the United States Staffs hold generally. I may say that in this particular matter where the real requirements of the situation had been obscured by the way in which the US Chiefs

of Staff had been by-passed I felt that it was imperative that by a proper objective investigation to be carried out by responsible technical personnel, we should be safeguarded from being stampeded into a vast undertaking, the costs of which we would have had to share in. However, I should like to suggest that we consider making it a general practice to require similar safeguards in future, and having first stated clearly our understanding of the circumstances of any such plans, insist on full participation by Canadian planners in joint planning activities. We would then be in a position to require that before any US proposals involving defence installations on Canadian territory could be considered they would have to be examined by the appropriate Canada-US military planning group (e.g., the Military Cooperation Committee) prior to formal consideration by the Canadian Chiefs of Staff and the Canadian Government. This would give the Canadian military authorities and the Canadian Government the opportunity to insist on exacting criteria of necessity and soundness of concept, and upon the provision of adequate information at an early stage in the development of such projects while they are still malleable.

7. I presume that this important matter will come up for discussion when the Journal of the April 1953 meeting of the PJBD is considered at the next meeting of Cabinet Defence Committee. In the meantime, I would very much appreciate the opportunity of discussing the question with you and Mr. Pearson at your convenience and in order to facilitate this I propose to send copies of this letter both to Mr. Pearson and to General Foulkes so that they may be fully informed of the anxieties which have developed in my mind as a result of the experience I have had in the PJBD discussions.

Yours sincerely,

A.G.L. McNaughton

703. DEA/50209-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

Telegram EX-1471 Ottawa, August 27, 1953

Confidential. Important.

ARTICLE BY GENERAL BRADLEY IN AUGUST 29 EDITION OF SATURDAY EVENING POST

General Bradley's remarks on North American defence and Canada-United States defence relationships were most interesting. We are preparing a memorandum for the Minister on his return from New York reviewing the current situation regarding Canada-United States defence problems in the light of the views expressed in the article.

2. Your estimate of Washington opinion on this general subject, including the current lively issue of the need for increased air defence, General Bradley's proposals, and Canada-United States defence relationships, would be appreciated. We assume that you can prepare an estimate without, at this stage, making any enquiry at the State Department or Pentagon.

704. DEA/50209-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2012 Washington, August 28, 1953

SECRET. IMPORTANT.

ARTICLE BY GENERAL BRADLEY IN THE SATURDAY EVENING POST

Reference: Your telegram EX-1471 of the 27th August.

We think you should assume that you will be faced before long with requests from the United States Government for co-operation in the field of continental defence on a scale considerably larger than any which have been made previously. On the other hand, we think it would be premature to assume that such requests will be as towering as General Bradley suggested, or even of the nature indicated in his article.

2. In estimating the likelihood of such an approach as General Bradley recommended, from President Eisenhower to the Prime Minister, you will no doubt want to keep in mind the background provided by the following facts, which we think are relevant:

(a) As one symptom of the nagging anxiety here about the vulnerability of the United States to air attack, there has been for at least six months widespread agitation both inside the United States Government and in the press for a more hermetic system of continental defence; and this agitation has grown with the news that the Soviet Union carried out, on the 12th of August, an atomic explosion involving a thermo-nuclear reaction.

(b) A new slate of Chiefs of Staff was installed this month, and they have been instructed by the President to conduct a thoroughgoing review of United States strategy and military planning.

(c) There has been a long-standing difference of opinion of a technical kind between the armed services, on the one hand, and scientists and civil defence authorities, on the other, over how to make the best use of whatever resources could be allocated for continental defence. This dispute has never been completely resolved, but, in so far as a decision has been reached, it has gone in favour of the scientists and the civil defence authorities and against the armed services, whose views of the best way to defend North America are presented by General Bradley.

(d) Repeated efforts to obtain more money for continental defence have foundered on the administration's determination to balance the budget and restore the soundness of the dollar.

3. In retrospect, the skepticism with which many administration spokesmen received Malenkov's announcement on the 8th of August that the United States did not enjoy a monopoly on the production of the hydrogen bomb now appears to have been singularly ill-advised. The tone of much newspaper comment on the hydrogen explosion in the Soviet Union reveals a strong disinclination to be fobbed off much longer with paternal reassurances from the government; and many responsible editors and columnists are calling for improved continental defence. In the same way as the news in 1949 that the Soviet Union had an atomic bomb was followed by a thorough re-examination in the National Security Council of United States foreign and defence policy and military dispositions, so the knowledge that the Soviet Union either now has, or shortly will have, a hydrogen bomb may be expected to lead to another searching re-examination which will almost certainly come to the conclusion that the defences against a Soviet air attack across the Arctic should be strengthened.

4. Such a re-examination had been begun even before there was knowledge of this new factor. Indeed, one of the reasons for the complete change in the United States Chiefs of Staff was to make possible a fresh look at the United States military planning and strategy. It is impossible to forecast what will be the conclusions of the new Chiefs of Staff. Almost certainly they will ask for more money for continental defence. But it should not be assumed that they will want to concentrate United States resources on the defence of North America at the cost of reducing United States capabilities in other parts of the world. Admiral Radford's personal opinions are by no means completely known; but he has made no secret in the past either of his support for an energetic policy to resist Communism in Asia, or of his belief in the important world-wide role the United States Navy has to play as a platform for air-attack in time of war. The new Chairman of the Chiefs of Staff may be expected to agree with General Bradley that more attention should be paid to continental defence, but he will have to balance its claims against the need to meet many continuing commitments around the globe.

5. In any case, the views of the new Chiefs of Staff may not be decisive. In arguing that an early warning system in the far north would be of little value unless "backed up with bases and radar installations to provide continuous tracking and converging interception", and in advocating instead that aerial defences should be advanced progressively northward in Canada without any gaps being left, General Bradley is putting forward the views that for many months have been held by the military services. However, the scientists at Brookhaven and MIT and their allies in the Civil Defence Organization and in the press who have proposed an early warning system in the far north have won the only engagement on this technical issue that has been fought within the United States Government since the new administration took office; and the experimental start that is now being made on "Operation Corrode" is the sign of their victory. It may be that the new Chiefs of Staff will share the opinions of their predecessors on how best to provide defence against a Soviet attack across the Arctic; and, if so, they may succeed better than General

Bradley and his colleagues in having their views accepted by the President. But this cannot be taken for granted.

6. It must also be borne in mind that budgetary considerations have hitherto defeated most of the efforts to extend and tighten the network of continental defence. The Kelly Report, the East River Project, and the Bull Report have not yet produced many tangible results; and the chief reason is that, prompted by the Secretary of the Treasury and the Director of the Bureau of the Budget, the President has been unwilling to unbalance the budget further by authorizing large expenditures for continental defence. In a television interview on Wednesday night, Mr. Humphrey said that his chief concern was to balance the budget, but he suggested that, whether this was done at a high or low level, was of secondary importance. No doubt that is truth. But it is hardly conceivable that an administration which came to power on a promise to reduce taxation once the budget had been balanced, could afford to raise taxes unless there were a marked deterioration in the international situation. Since that method of raising money for improved northern defences would seem to be virtually precluded, it can be anticipated, we think, that the administration will continue to show reluctance to finance costly and elaborate schemes of continental defence. They sincerely believe that the fundamental strength of the United States cannot be maintained unless the soundness of the dollar is restored. They may be forced to sacrifice their budgetary and fiscal principles, but they will not abandon them lightly.

7. You will appreciate that it is particularly difficult to make any reliable predictions in this field. Many different plans are still being mooted by various United States authorities; and the President and the National Security Council will have to take into account many conflicting considerations before coming to firm decisions. It is therefore impossible to say whether General Bradley's article is to be taken as an accurate forecast of the kind of approach that is to be expected. In any case, you would do well, in our opinion, to assume that before very long Canada will probably be faced with new, and even larger requests, for co-operation in the defence of North America.

705. DEA/50209-40

Note du sous-secrétaire d'État par intérim aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Acting Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], August 31, 1953

CANADA-US DEFENCE PROBLEMS

You may have seen the article entitled "A Soldier's Farewell" by General Bradley, which was published in the *Saturday Evening Post* of August 29. From the Canadian point of view, the principal item of interest was the suggestion that the urgent need for improved continental defences merited the President and the Prime Minister conferring with a view to the establishment of an over-all continental de-

fence command. In General Bradley's words, "The issues are too large, the time too pressing, for us to let this drift along in routine negotiation."

In addition to this reference to Canada-United States defence relationships, General Bradley dealt in some detail with the problem of continental defence. While he took issue with the concept of the arctic early warning line advocated by the Lincoln Summer Study Group, he made it plain that, in his view, it was necessary to take immediate steps to "push our aerial defences northward in Canada as fast as we can without leaving gaps or holes for the enemy to play tricks in".

It seems to me that General Bradley's remarks serve to illustrate a situation that deserves increased attention in Canada. The plain fact of the matter is that, rightly or wrongly, there is general agreement in the United States that North American defences are inadequate and that immediate measures must be taken to improve the existing situation. The current economy drive in the US, coupled with the confusion of ideas about what should be done, has delayed the adoption of a firm policy, but there are many indications that a combination of political and military pressures will force a decision in Washington in the immediate future, if, indeed, it has not already been reached.

Willy-nilly, Canada will become deeply involved in the US program for improving continental defences. In Bradley's words, ". . . we can do almost nothing without the friendly cooperation and the teamwork of the Canadians." By cooperation and teamwork, much more is meant than the mere provision of land for bases:

"Hitherto there has been a most cordial working relationship between the military leaders of the two countries. But now, as we plan to move our mutual air defences northward toward the Hudson Bay country, something more is required. . . . In my opinion a more effective over-all continental defence command must be worked out between Canada and ourselves. This command would include not only the air forces, but elements of the armies and navies of both countries."

You may consider that, in view of the US pressure for more elaborate defences, and the suggestion in General Bradley's article that existing command arrangements between Canada and the United States should be modified to meet the needs of the newly developing situation, it might be useful, within the Department of External Affairs, to make a study of the various aspects of the current Canadian defence policy with particular reference to Canada-US relationships.[27] This study would deal with such facets of the over-all problem as the work of the Canada-US Military Study Group, which was set up as a condition of Canadian approval of Project CORRODE (formerly known as Project COUNTERCHANGE) to study North American air defence requirements; the current restriction on Canadian participation in joint Canada-US planning of future defence requirements; the difficulties raised by current US defence projects which involve Canada; etc.

If you think that such a study would be helpful at this stage, I will have a paper prepared for your consideration.

---

[27] Note marginale:/Marginal note:
I agree. L.B. P[earson]

We asked our Embassy in Washington for comments on General Bradley's article. These were given in telegram No. WA-2012 of August 28, 1953, a copy of which is attached to this memorandum.

C.S.A. R[ITCHIE]

706. DEA/50209-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2150 Washington, September 21, 1953

TOP SECRET

CONTINENTAL DEFENCE

Reference: Your EX-1471 of August 27 and our WA-2012 of August 28, 1953.

We have been told informally and in strict confidence by Gordon Arneson of the State Department that the various studies of the problems of continental defence in Washington have now been brought together in some comprehensive recommendations of the Joint Planning Board of the National Security Council. These recommendations, we understand, have been approved by the United States Joint Chiefs of Staff. They are to be considered by the National Security Council shortly.

2. We have been given only in general outline the nature of these recommendations. They are based apparently upon the material produced by the Kelly, Edwards and Bull Committees which had studied the various aspects of the problem, including the requirements of an early warning system, the offensive capabilities of the Soviet Union and the budgetary limitations.

3. The principal conclusion of the Planning Board is that the United States does not, repeat not, now have adequate continental defence in relation to the risks of attack. The Board therefore urges that this unacceptable degree of risk be reduced by new and increased measures to be worked out in conjunction with Canada.

4. The Board finds, in effect, that the security programme of the United States is out of balance, in that insufficient resources have been devoted to continental defence in relation to the resources deployed abroad — notably for NATO, foreign military aid and the purposes of strategic air.

5. The Board's recommendation, we were told, does not say precisely what further measures of continental defence should be undertaken. It recognizes that it cannot prejudge Project Corrode or the conclusions of the joint Canada-United States study group which is at present examining the feasibility and relative merits of additional radar systems in various parts of North America. The Board, however, is said to favour the approach reflected in General Bradley's article in the *Saturday Evening Post* of August 29, when he advocated that aerial defence should be advanced progressively northward rather than that an early warning system should be

established in the far north. The Board also argues apparently in favour of increased provision of weapons of interception, including both aircraft and the most modern missiles.

6. Arneson was rather vague about the extent of the additional measures for continental defence that might be involved in the Board's recommendations. He said, however, that, if the Board's proposals were accepted, the expenditures involved would not be of the magnitude which have been mentioned in speculative articles in the press; they would, at the most he thought, require an additional expenditure of some $1.6 billion as the peak in any one year.

7. Finally, Arneson emphasized that the recommendations of the Board had been formulated in response to instructions from the President and the NSC to clarify conflicting United States views on problems of continental defence, as reflected in various studies and reports which had come before the NSC. He assured us that it was fully recognized that nothing could or should be done without full advance consultation with the Canadian Government. If the Board's recommendation for an increased programme of continental defence were accepted, he thought that there would be a high-level approach to the Canadian Government. He expressed the personal opinion that the President might, for instance, take the occasion of his possible visit to Ottawa to discuss this whole question with the Prime Minister.

8. It cannot, of course, be taken for granted that the Board's recommendations will be approved by the National Security Council or the President. Although the National Security Council will apparently be considering recommendations which have been agreed at the staff level, the dilemma of trying to provide for increased measures of continental defence and at the same time balance the national budget will not be easily resolved and the President will be faced with difficult decisions, particularly on the magnitude and timing of further measures.

9. This report is based on an informal conversation on various aspects of atomic energy. As you know, we have from time to time obtained information on a personal and informal basis from Arneson on developments in the atomic energy field as well as on questions relating to continental defence. As it was made clear to us that Arneson did not have any specific authority to pass this information on to us, I would appreciate it if, in any enquiries which may be made on this subject in other quarters, special care be taken to protect the source.

10. I know that General Foulkes has had valuable personal contacts on this subject in Washington and that he has been following developments very closely. He will therefore be interested in this message which we have discussed with the Chairman of the Joint Staff here.

11. We will endeavour to keep you informed of developments after the National Security Council has considered this problem and we would like to be kept abreast of any information you receive through Foulkes and indeed from any other source.

707. DEA/50209-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2172 Washington, September 24, 1953

TOP SECRET

CONTINENTAL DEFENCE

Reference: Your EX-1584 of September 23,† and our WA-2150 of September 21, 1953.

Mr. Claxton telephoned me on Tuesday afternoon (September 21) to draw my attention to the serious implications for Canada of the issues raised on this subject in recent pieces by various United States columnists, notably Alsop and Childs. I drew the Minister's attention to our telegram under reference which no doubt he has now seen.

2. I told Mr. Claxton that we fully appreciated the gravity and delicacy of this problem and that, in consultation with Admiral DeWolfe, we were doing everything possible to keep in touch with developments in the United States Government. At the moment there was nothing substantial to add to our telegram of September 21st; my impression was that much that had appeared in the newspapers was inaccurate and premature.

3. We have already ensured that at the working levels of the State Department there is a realization of the important considerations of national policy, which from the Canadian standpoint, should be taken into account in any new proposals for continental defence. We have also emphasized the importance which the Canadian Government attaches to being consulted at a sufficiently early stage; it was essential that we should not be confronted with large decisions on which we had had no adequate chance to express our views; further, it was particularly important to avoid any leakage of any United States proposals until joint solutions could be worked out.

4. The best procedure for consultation is a question which is not easy and requires some thought. Clearly, it should be kept very secret at the early stages particularly, and should involve very few. What would the Ministers think of Foulkes coming down and meeting say Bedell Smith and one or two others very privately, if that could be arranged? Ignatieff and I are to have Arneson to lunch tomorrow and we may have further news for you thereafter.

5. Incidentally, you have no doubt seen Reston's article in yesterday's *New York Times* (September 23). This puts the background to the discussion of continental defence in the United States into better perspective than the Alsop articles.

6. Will you let Mr. Claxton see this message and also make sure that Mr. Pearson sees it and my telegram under reference when he is in Ottawa this coming week-end.

708. DEA/50209-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2179 Washington, September 24, 1953

TOP SECRET

CONTINENTAL DEFENCE

Reference: My WA-2172 of September 24th.

1. It so happened that this afternoon I was making my "courtesy" call on the Secretary of Defence. After the usual exchange of platitudes about our two countries, Mr. Wilson mentioned this subject, which was clearly on his mind (as it was on my own, although I had decided not to be the first to mention it on this occasion). He said that the National Security Council had been considering this difficult problem this morning — a subject which was of importance to my country as well.

2. The Secretary went on to say that it was difficult to arrive at a correct balance between United States requirements abroad and on this continent, particularly now that the new element of Soviet possession of the hydrogen bomb had been added. United States military authorities had been giving anxious consideration to what should be done. It was to be remembered that the strongest final deterrent to Soviet aggression lay in the capacity of the United States to retaliate. As he put it, the best deterrent was the Soviet realization that they could not win a war, no matter how much destruction and harm they might do to our side. For this reason we must not deploy too much of our strength on "fixed" defences.

3. With respect to Northern defence, he did not seem to be very fully informed on the various schemes. At any rate, he did not say much to me other than that consideration was being given now to a chain of radar stations on the 54th Parallel. He also knew of the (joint) experimental work being done in the Far North.

4. This is all pretty familiar, but it gave me the opportunity of putting to the Secretary the vital importance to Canada of decisions in this matter. I told him that I very much hoped that, before the United States Government's own opinions as to the requirements of the situation had "jelled", there would be full opportunity for Canadian authorities to have the United States appreciation and to express their own. Whatever decisions were ultimately taken would involve most important national considerations in Canada. The position would be very much more difficult to deal with if the United States were to come to us with everything cut-and-dried.

5. Mr. Wilson agreed that we were entitled to be consulted at an early stage. He even said that he would be prepared himself to go to Canada for a couple of days, or, alternatively, to have the Minister of National Defence come down here. I said that this would certainly be very helpful at some stage but that perhaps before either visit (which would be bound to attract public attention — already pretty stirred up on this topic, at least in this country) it might be wise to have informal and very private discussions at a high official level. It might be, for example, that the Chairman of our Chiefs of Staff and I could be put in direct touch with the United States Under-Secretary of State and the Chairman of the United States Joint Chiefs of Staff.

6. It was left that Mr. Wilson would turn over in his mind the best procedure for consultation. He will I hope let me know shortly what course the United States authorities decide to suggest. Incidentally, I gather the impression (although this may prove wrong) that no decision had been taken this morning by the National Security Council on the form and extent of the program which should be undertaken.

709. DEA/50209-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2195 Washington, September 25, 1953

TOP SECRET. IMPORTANT.

CONTINENTAL DEFENCE

Reference: My WA-2172 of September 24.

The lunch which Ignatieff and I had with Arneson today gave me an opportunity of impressing upon him (as I had on Secretary Wilson yesterday) the vital importance to Canada of decisions on continental defence, and to discuss informally procedures which might be followed in enabling Canadian authorities to be informed of United States thinking and plans before any new proposals are put forward.

2. I told Arneson of my talk with Secretary Wilson, as reported in my WA-2179 of September 24. I repeated to him in some detail what I had said to the Secretary of Defense about the way in which any decisions which the United States Government might ultimately take would affect most important national considerations in Canada. I told him that I would assume that the State Department as well as the Defense Department would now be fully alive to the necessity of giving full information to the Canadian Government and consulting us before any new proposals were put forward officially.

3. Arneson readily agreed that I could proceed on this assumption. He said that, rather than have the initiative come from the Canadian side requesting such infor-

mation and co-operation, it would be preferable if the initiative should come from the United States side. In the light of the history of Canada-United States co-operation in continental defence, he thought that there might be three phases in joint action on this matter:

(a) a joint analysis of the general considerations affecting the risks of war, renewing the earlier series of meetings of consultation;

(b) a United States appreciation of Soviet atomic net capabilities in the light of the most recently acquired information resulting from this year's Soviet atomic tests; and

(c) an exposition of the measures of continental defence which the United States authorities were considering in the light of (a) and (b).

4. As to procedure, the three phases might be compressed into one meeting attended by a few senior officials of the Departments of State and Defense which had joint responsibility in the matter. For instance, a meeting might be arranged, at which attendance for the United States would include the Under-Secretary or his deputy, the Director of Policy Planning Staff, and Arneson for the State Department, and representatives of the Secretary of Defense and United States Chiefs of Staff. Arneson agreed that if such a meeting were arranged, it would certainly be desirable to have the Chairman of the Canadian Chiefs of Staff in addition to myself. This would seem to me to be a sensible procedure at this stage and one that would suit our purposes.

5. As the next step towards arranging such a meeting, Arneson said that he would like to consult the Deputy Under-Secretary, Mr. Freeman Mathews, who is thoroughly familiar with the meetings of consultation which had been held under the preceding administration. Since Mathews was the connecting link in the senior echelon of the State Department between the two administrations, he thought he would like to have him present in discussing the matter with the Under-Secretary and the Director of the Policy Planning Staff who had not participated in these arrangements. Mathews is away at the moment but is expected back at the end of next week. Arneson thought that, if matters would be handled in this way, there would be little difficulty in making arrangements which would be acceptable to us.

6. As to the timing factor, it was Arneson's impression that no decision had been taken by the National Security Council at its meeting yesterday and that no definitive conclusions were likely to be reached on the magnitude and timing of any additional measures of continental defence until further information is available on its effects on the budget and on the deployment of resources for defence purposes, which is now being studied by the new United States Chiefs of Staff. However, Arneson thought that it was almost certain that the question of continental defence would arise in some form in the event of the President visiting Ottawa. He realized therefore that, on the assumption that this visit was now probable, it was necessary to make arrangements for preparatory joint talks along the lines he had suggested early in October.

7. Referring to the newspaper reports about plans for the President to make a nation-wide address on defence problems (sometimes referred to as "Operation Candour"), Arneson said that he had had it in mind to give us and the British ad-

vance information on the substance of the President's address. No firm decision had yet been taken at the White House about the speech but the date proposed was October 4. Arneson said he would get in touch with us as soon as he had any information for us on this subject.

710. DEA/50209-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1613 Ottawa, September 28, 1953

TOP SECRET. IMPORTANT.

CONTINENTAL DEFENCE

Reference: Your telegrams 2172 and 2179 of September 24, and 2195 of September 25, 1953.

Following for Heeney from the Minister, Begins: I have been very much interested in your messages, about which I commented with you on Saturday morning on the telephone. I am also glad that you have been able to take advantage of your meeting with the Secretary of Defence to make known our apprehensions over certain possible developments in regard to continental defence. The United States Government should be as aware as we are of the importance of this question to Canada and of the inadvisability of making any plans or general statements about it which would embarrass us and, indeed, complicate any ultimate arrangements which may have to be made.

2. Mr. Claxton has done a memorandum on the subject for the Prime Minister, expressing his worries, a copy of which has been forwarded to you.† He has also had a number of talks with General McNaughton, officials of this Department, and the Chairman, Chiefs of Staff, as well as with myself. We are all very much aware here of the difficulties, and even the dangers ahead if wrong impressions are created by articles along the lines of those emanating from the Alsops.

3. While we should keep in close and continuous touch with the United States Government on these developments at every possible level, Mr. Claxton and I both agree with you that a visit at this time to Washington by either of us, or a visit by Mr. Wilson here, would excite too much interest and arouse unnecessary speculations. I think, however, that a meeting along the lines suggested in paragraphs 4 and 5 of your telegram 2195, reporting on your talks with Arneson, would be most helpful, though we might wish to send someone from Ottawa from External Affairs on the official level to attend such a meeting along with General Foulkes. Such a meeting should, I think, be held as soon as possible. We would like it to take place far enough in advance of the President's address to permit the possibility of the meeting influencing the address; this may mean having the meeting this week *before* Freeman Mathews returns (which you expect at the *end* of the week).

4. The line we should take with them would, of course, be to assert that since they did not know what they wanted or might want and we did not know yet what we wanted or might want, we should wait until the work of the Military Study Group is more advanced (which might be mid-October) and such other consideration as the subject warranted, and arrive at an agreed policy before making public statements which would create a public opinion which would circumscribe and even terminate all possibility of freedom of action in working out the best programme to meet our need. Although the Military Study Group may still have a few months' work to do, we hope to have a tentative report from the Canadian section by October 15.

5. I hope that Arneson or someone else will be able to let us have an advance copy of the President's address on defence problems, now proposed for October 4, on the assumption that this address will deal with matters of direct and essential interest to Canada. If, however, the address is general in character and could not be related to Canada, directly or indirectly, then while welcoming knowledge of its contents, we would have no particular claim to such knowledge in advance. However, for the President to refer to matters in this address which could only be implemented with the co-operation of Canada, and without our advance knowledge, and without the prior consultation which would be rendered necessary in these circumstances, might cause very considerable embarrassment and add to the difficulties on both sides of the border in subsequent discussions of this vitally important matter. Message ends.

711. DEA/50209-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2207 Washington, September 29, 1953

TOP SECRET. IMPORTANT.

CONTINENTAL DEFENCE

Reference: Your EX-1613 of September 28, 1953.

Following for the Minister, Begins: Thank you for your very helpful message. I was also anxious about the possible impact upon Canada of the President's speech projected under "Operation Candor" for October 4 and asked Ignatieff to discuss the possibility of advancing the timing of the proposed senior officials meeting with Arneson. Arneson showed Ignatieff in confidence a memorandum from the White House dated September 28 cancelling "Operation Candor", as a "series of connected and integrated weekly talks". The memorandum said that the President "may" deliver a single speech on the subject, but that no final decision had been taken on such a speech or the "what, when or whether" of it. Arneson explained that, while the idea of the President himself speaking had not been dropped, the main purpose of any address would be to give the public a sober appraisal of the

threat resulting from recent developments in Soviet atomic capabilities so as to allay exaggerated anxieties that the Alsops and other columnists have been playing on in recent articles.

2. In fact, the White House memorandum sarcastically apologized for using the old-fashioned and regular channel of an interdepartmental memorandum instead of the Alsop column. Arneson said that government officials had been annoyed by the assumption by the Alsops and a few others of the self-appointed role of Jeremiah on the subject of the nation's defence against air attack. He was unaware of any official support for this press campaign. He thought that some encouragement might have been given to the Alsops from private individuals and organizations interested in developing support for voluntary civil defence and from some scientists connected with the East River project and similar studies.

3. As to the timing of the projected meeting of consultation, Arneson recognized the desirability of arranging this as soon as possible. The delay in arranging the meeting is apparently not only connected with Mathews' return, but also with the preparation of the information which would be passed to the Canadian representatives at this meeting. It is also necessary to obtain authorization at the highest level for the passing of certain information connected with Soviet atomic capability. He hoped, however, to be able to tell us some time this week when arrangements could be made for the meeting.

4. The information contained in the White House memorandum about "Operation Candor", I suppose, makes some difference to our own views on timing. I agree that we should try to have the meeting as soon as possible. The question of procedure seems to boil down to this: should we wait until the officials here feel that they are ready for consultations with us, or should we make a high-level approach requesting information about United States plans on continental defence? I believe that the former procedure would yield better results, provided, as you say, that, meantime, we keep in close and continuous touch with the United States Government at every possible level.

5. Arneson also threw a little more light on the results of the discussion on continental defence at last week's Security Council meeting. He said that the government had not made any decisions and that, before doing so, would have to await the result of the analysis of the possible cost of alternative methods of strengthening continental defence as well as the budgetary implications of such proposals. This additional information would not be available until December 1. Thus there would be more time than had previously been anticipated for prior consultation with the Canadian Government on those aspects of continental defence that required cooperation with Canada, if they were to be implemented.

6. Incidentally, the columnists, including the Alsops, are now describing the new plans for continental defence which are supposed to be under consideration in Washington in much more moderate terms. Reston, in his article in the *New York Times* of September 25, said that "continental defence expenditures against the possibility of airborne and submarineborne atomic attack will be increased — probably by considerably less than $1 billion of new money — but all dramatic continental defence plans will be postponed or rejected". Alsop, in his column on September

28, said that "since the final decisions have not been taken, it is too early to say what manner of animal all this laboring of mountains may produce. But it begins to seem that the end result may be a mouse — a rather large mouse, but a mouse all the same". He added, "at least for the first year, the cost of the radar installations alone should be no more than a fraction of a billion dollars". Ends.

712. DEA/50209-40

Déclaration du président du Conseil de recherches pour la défense

Statement by Chairman, Defence Research Board

[Ottawa], September 29, 1953

What has been referred to in the press as "The McGill Fence" is an early warning device that has been under intensive development during the last eighteen months. Details of the device are naturally secret. However, it can be said that it is not a substitute for a chain of radar stations but is intended to supplement such a chain.

Development of the device has been directed by the Defence Research Board. Professor G.A. Woonton, Chairman of DRB Electronic Advisory Committee, Dr. J.S. Foster, former Chairman of DRB Electronic Research Panel, Dr. W.B. Lewis of Chalk River, Dr. G.S. Field, Chief of Division A, and Mr. L.G. Eon, a senior scientific officer of DRB, are those that have been principally concerned with the work. The first stages of the search for a cheaper and more effective early warning device involved three laboratories: the Radio Physics Laboratory of the Defence Research Board under Mr. J.W. Scott, the Radio and Electrical Engineering Division of the National Research Council under Mr. B.G. Ballard, assisted by Dr. D.W. McKinley, and the Eaton Electronics Research Laboratory at McGill University which is under the direction of Professor G.A. Woonton. Later the work was centralized at the Eaton Electronics Laboratory with financial support from the Defence Research Board and under the direction of Professor Woonton and Mr. Whitehead. The actual experimental equipment that is now being tested was manufactured by RCA Victor Company of Montreal under the direction of the Eaton Laboratory. The unusual speed with which the development has been carried through has been largely due to the initiative of Mr. Eon and a remarkable cooperation of all the agencies concerned.

A number of these stations have been installed experimentally to determine their operational capabilities. Trials have been going along all summer and have shown that this equipment can be used to provide a warning system that can be installed at comparatively low expense in terms of money, materials and manpower. All the equipment can be manufactured in Canada.

United States authorities have been in on this from the beginning and have shown great interest in the results achieved.

Both development work and further trials are still proceeding.

It should be emphasized again that even if this equipment proves to be as effective as would appear likely, it is not a substitute for a radar chain but would provide an additional device for obtaining early warning of the approach of aircraft. The indications are that this is likely to constitute a considerable advance in our capacity for protection against air attack.

713. DEA/50218-40

Extrait du procès-verbal
de la Commission permanente canado-américaine de défense

Extract from Journal
of Permanent Joint Board on Defence

SECRET Rivers, Manitoba, September 28-October 1, 1953

. . .

The Canadian Chairman . . . explained that he wished to make a statement which would bring out clearly the policy of the Canadian Government with regard to Canada-United States military planning. This statement is recorded as follows:—

"I should like to refer to the discussion recorded under Item 16 of the Board's Journal of the April, 1953, meeting. At that time the US Chairman drew attention to the difficulties being experienced by the Military Cooperation Committee in producing the Future Defence Analysis required for the Canada-US Basic Security Plan. As I understood his remarks, he attributed the difficulties almost entirely to the Canadian planners' lack of authority to develop requirements. He then summed up the United States position in the following words:

"To produce a productive program for the future defence of Canada and the United States, the military planners must be given the authority to develop plans which are produced in accordance with sound military planning principles. It is recognized that the fulfillment of requirements in any plans so drawn would, of course, be subject to review by the respective Chiefs of Staff and further review on the basis of political and economic considerations prior to their approval by the United States and Canada at the governmental level. Such reviews should be conducted at levels above the MCC, and the military plans in that Committee should not be circumscribed by those factors."

Because of the importance of the representations made by the US Chairman, I should like to define the Canadian position in some detail, as follows:

(a) The only defence "requirements" the Canadian Government recognizes are those incorporated in the current defence program of the Government, as approved by Parliament. If the Canadian Government did not incorporate within its defence program anything which it considered to be a defence requirement, it would not be fulfilling its duty to the Canadian people. It follows, therefore, that a subordinate official of the Government cannot be permitted, in joint discussions with representatives of another country, to assert that he considers a "requirement" exists for something which has not been approved by the Canadian Government.

(b) The Canadian Government regards it as unrealistic for the armed forces to describe as "requirements" (or any equivalent term) what the military planners put down as estimates of the forces they consider necessary to meet the probable enemy threat. Not infrequently, when such "requirements" are the joint efforts of more than one country, the next step is to measure these "requirements" against the forces actually available, thus creating a "deficiency". All this, of course, leads to misunderstanding and even recrimination, particularly because all too frequently the "requirements" become known to the public.

(c) While the above-stated considerations, from the point of view of the Canadian Government, make undesirable the development of future defence requirements plans as such, it recognizes that an essential element of Canada-US defence cooperation is the joint preparation by the military planners of the two countries of estimates of the forces and equipment which, in their opinion, it would be desirable to have for the defence of North America, and the defence benefits which could be expected to accrue if such forces were available. These estimates should be based upon consideration of all relevant factors so that they represent realistic measures.

In summary, the Canadian Government recognizes the desirability of, and is agreeable to, the joint preparation by the military planners of the two countries of realistic estimates of the forces which, in their opinion, it would be desirable to have for the defence of North America. Such estimates are not to be confused with, or construed as, "requirements plans". In order to ensure that the Canadian position is not lost sight of, every document containing estimates should be headed by a preamble worded along the following lines:

"These estimates constitute a military opinion only of the desirable future strength of armed forces and equipment, and in no sense are to be construed as commitments by either country."

. . .

The United States Chairman expressed satisfaction with the statement of the Canadian Chairman, and said that in his view the statement met in full the needs of the situation as outlined in the April 1953 memorandum of the US Chairman. He said further that he was confident that it would now be possible for the Military Cooperation Committee and other joint planning bodies to proceed in their important work.

. . .

714. DEA/50209-40

Extrait de la note du ministère des Affaires extérieures pour le Cabinet

Extract from Memorandum from Department of External Affairs to Cabinet

TOP SECRET Ottawa, October 3, 1953

CONTINENTAL RADAR DEFENCE

The object of this paper is to summarize our relations with the United States in this field, in order to provide a basis for discussion of likely developments in the near future.

Presently Authorized US Radar Installations in Canada

2. The biggest project is usually known as PINETREE. This is a joint Canada-United States chain of 33 big radar stations in Labrador and southern Canada (from coast to coast), which was recommended by the Permanent Joint Board on Defence and approved by Cabinet in February, 1951. The chain will be fully operational by July, 1954. Its original cost is about $350 million, of which Canada is bearing one-third. Canada will man 16 of the 33 stations. The stations are big ones and the United States personnel at the 17 stations to be manned by them will total about 2700. The arrangement between the two countries is contained in an Exchange of Notes of August 1, 1951, which has been made public.

3. After the Pinetree chain of 33 stations had been authorized, the United States came up with a proposal for nine additional "gap-filling" temporary radar stations in British Columbia and Ontario. The United States has not yet formally requested permission to build these stations, but is carrying out surveys, which were authorized by Cabinet Defence Committee in February, 1953. Defence Committee said at the same time that the prospective United States request to build these stations will be granted. It is understood that these 9 stations will be paid for and manned by the United States. The United States may ask for leave to put one of the nine stations in Nova Scotia. The 9 stations will fill gaps in the Pinetree chain.

4. In January, 1953, the United States presented an urgent request for permission to build two experimental radar stations (later changed to one) in the Canadian Arctic near Herschel Island. The experiment, first known as Project COUNTERCHANGE and now as Project CORRODE, is designed to demonstrate the feasibility and value, or otherwise, of an early warning system of radar stations in the Arctic. The Canadian Government agreed to permit the United States Government to build this experimental station at United States expense, but made it a condition that the two Governments should establish a Joint Military Study Group, to study those aspects of the North American Air Defence System in general, and the early warning system in particular, which are of mutual concern to the two countries. The Canadian Government's purpose in making a condition was, in part, to ensure that the United States Government would not in future confront the Canadian Government with plans for radar construction in Canada which had not first

been studied by a joint Canada-United States body. In order to emphasize this objective, the State Department was told, when it was given in February, 1953, the note authorizing Counterchange, that the Canadian Government would not be prepared to consider proposals for an Arctic early warning chain until it had had time to consider the report of the Military Study Group. The head of the Canadian Section of the Military Study Group (MSG) is AVM Miller, Vice Chief of the Air Staff. The MSG is advised by a combined Canada-United States Scientific Team. Although the MSG has done a great deal of work, it is understood that it will be at least 3 or 4 months before its two sections make final reports to the respective governments.

Development of United States Thinking

5. In April, 1952, the President of the United States established a "Panel of Consultants on Armaments" to advise him and the departments concerned with the work of the United Nations Disarmament Commission.

6. The Panel submitted its report in January, 1953, to Mr. Acheson, who made it available for the incoming administration. The report advanced the following theses:

(a) The value of the United States stockpile of atomic weapons is a wasting asset, since before long the point will be reached when the Soviet Union will have produced enough atomic weapons to use against the US in a surprise attack on a scale which would cancel out the advantage the United States now enjoys because of its lead in the production of atomic weapons.

(b) If the American people are to be made aware of the dangerous situation which confronts them, they must be told frankly of the characteristics and probable effects of atomic weapons, and "roughly" the number of bombs available.

(c) The situation is rapidly developing when the ability to deliver atomic weapons and the defence of the United States against them will become relatively more important then supremacy in the atomic munition field itself.

These views were subsequently given general circulation in speeches and articles.

7. Coincidentally, while the "Panel of Consultants" was at work during 1952, the US Air Force set up at the Lincoln Laboratories of the Massachusetts Institute of Technology, a "Summer Study Group", composed mainly of university scientists, to take a "new look" at the problem of air defence. The Study Group started out with essentially the same assumptions as were subsequently to be put forward by the Panel of Consultants, and with this as a background of justification, proceeded to develop on paper an extremely ambitious air defence system which would completely cover the northern approaches to the United States.

8. The completion of these two reports in the dying days of the Truman Administration provided an ideal weapon for Civil Defence officials who succeeded in getting the Lincoln Report directly to the National Security Council (the highest defence body) by a "big end run" around the United States Air Force and the Joint Chiefs of Staff. Out of this incident arose "Project Corrode" (at that time known as "Counterchange"), which the United States Government put up to Canada on the basis of the Lincoln report.

9. In March, 1953, the fact that "the scientists" were concerned about the inadequate defences of North America, but had an answer to the problem, at a price, first reached the press in a series of five newspaper articles by the Alsop brothers, and in a feature article in the *Saturday Evening Post* by Stewart Alsop and a scientist named Ralph Lapp. Our Embassy in Washington discussed these articles at the time with the State Department and reported they had not been inspired from official sources but appeared to have been a private enterprise of the Alsops, undoubtedly aided by leaks of classified information.

10. Since March there has been a steady stream of articles in the United States press on the need for improved defences. Most of them have purported to describe arguments going on within the United States Government as to which is the more important, a balanced budget or increased defence forces for North America. Obviously these stories have been fed by leaks of information from official sources. The interesting question is whether they result from a sly campaign on the part of the Government to condition the public to the idea that taxes cannot be cut, or whether, as is more probable, there has been a real difference of opinion within the Government, and the protagonists have been following the good old American tradition of using the press to help quell the opposition.

11. The article of greatest general interest was that by General Bradley (retired Chairman, Joint Chiefs of Staff) in the August 29 issue of the *Saturday Evening Post*. He stressed the fact that Canadian agreement and participation in any scheme to improve the air defence system was essential, and proposed the establishment of a Continental Defence Command involving the armed forces of two countries. Finally, he suggested that the matter should be considered by the President and the Prime Minister as soon as possible.

12. During 1953 a series of important committees have worked on the problem of air defence, at the behest of the President, the National Security Council, and others. These are, of course, purely United States Committees. We learnt recently that the reports of all these committees had been brought together in some comprehensive recommendations by the Joint Planning Board of the National Security Council, had been approved by the Chiefs of Staff, and were to be considered by the National Security Council. The Canadian Embassy in Washington reported on September 21 that it had been told in strict confidence by an officer of the State Department something of the contents of this report.

. . .

13. The National Security Council met on September 24 and the Embassy learned, from the same sources, that no decision had been taken . . .

What will the United States Government ask of Canada?

14. It will be clear from the foregoing that we can only guess at the answer to this question. It is fairly clear that the United States will wish to have more radar defence in Canada, but the order of magnitude is still pretty uncertain.

Some Problems for Canada

15. If United States Government policy develops as forecast in this paper, it will, of course, create many serious problems for Canada. The Canadian Government

may or may not be convinced, when United States projects are proposed, that they are reasonably necessary when weighed against global strategic factors and political obligations overseas, as well as against the possibility of air attack taking new forms in the next decade. However, it may be very difficult indeed for the Canadian Government to reject any major defence proposal which the United States Government presents with conviction as essential for the security of North America.

16. If new United States defence projects in Canada, and in particular new radar defence, should become inevitable, the Canadian Government will be faced by the question whether Canada should share in the cost and operation of the new projects or whether the United States should be allowed to develop and operate them exclusively with United States money and men. If Canada is to share in these projects, how will that affect the level of future defence expenditures and, in particular, Canada's continuing share of NATO defence in Europe?

17. It is not the purpose of this paper to try to answer, or even discuss, the questions in the preceding paragraph. It does seem, however, that the time has come to start thinking very seriously about them.

The Immediate Prospects

18. Despite press stories to the contrary, there is now a good chance that the National Security Council will not take any decisions for a few months. The Canadian Embassy has impressed upon the State Department the serious objection there would be from Canada if the United States Government were to settle its policy, in matters vitally involving Canada, without full *prior* consultation with the Canadian Government. In particular, it would be wrong if the United States Government were to decide on new radar projects in Canada before the Military Study Group has made its report.

19. In the meantime, it is likely that an exploratory meeting will shortly be arranged in Washington between the Canadian Ambassador, General Foulkes and an External Affairs officer from Ottawa, on the one hand, and appropriate members of the State Department and Defence Department on the other. This meeting will provide an opportunity for the Canadian representatives to obtain more information and also to caution the United States representatives against the dangers of premature unilateral United States decision and, what would be even worse, premature public announcement of United States Government desires.

715. DND/73/1223

Extrait du procès-verbal du Comité de la Défense du Cabinet

Extract from Minutes of Cabinet Defence Committee

TOP SECRET Ottawa, October 6, 1953

. . .

I. *Continental Defence Developments*

1. *The Secretary of State for External Affairs* reviewed relations with the United States in the field of continental radar defence from 1951 to the present. He referred

in particular to the increased interest in continental defence which had been expressed in the United States both by journalists and officials within recent months. Canadian representatives in Washington had constantly emphasized the vital interests of Canada in consideration of continental defence and the necessity of prior consultation with the Canadian government. It was expected that within a few days there would be discussions in Washington at which the Canadian Ambassador, the Chairman of the Chiefs of Staff, and an External Affairs officer would meet members of the State Department and Defense Department to obtain more information and to emphasize Canadian interests.

An explanatory memorandum was circulated.

(Minister's memorandum, October 3, 1953, "Continental Radar Defence" — Document D43-53)

2. *The Minister of National Defence* referred to an article in the October 16 issue of *Collier's* entitled "Russian Planes Are Raiding Canadian Skies". An inaccurate impression had been given of the number of unidentified aircraft detected over northern Canada. It seemed desirable to consider whether any denial should be made of the statement that Russian planes flew daily over Canadian territory.

3. In the course of discussion on publicity about unidentified aircraft over Canada, the following points emerged:

(a) The reluctance of officials to comment might lead the public to put undue credence in the story.

(b) Exaggerated accounts of Soviet flights over Canada might give support to irresponsible elements advocating ill-considered large-scale projects.

(c) A denial of daily flights would invite questions on the number of interceptions which had been made.

(d) Any information on the number of Soviet planes sighted would be useful to Soviet intelligence.

(e) It was hoped shortly to learn what information had been given out by USAF officers on this subject.

4. *The Vice Chief of the Air Staff* gave a briefing on the work of the Military Study Group which was considering the best forms of radar defence in North America.

5. *The Chairman, Defence Research Board* presented an oral report on the development of the "McGill Fence", which showed high promise of making an important contribution to radar defence.

6. In the course of discussion on radar defence plans, the following points emerged:

(a) The United States should be constantly made aware of Canadian concern in every phase of continental defence plans.

(b) Until the work of the Military Study Group had been completed, Canada was not in a position to comment on possible US plans for radar defence.

(c) There was much concern in some NATO countries that the aroused interest of the United States in continental defence might lead to some slackening of interest in Western Europe and consequently might strike a serious blow at NATO.

(d) The increased interest of the United States in continental defence would raise new political problems for Canada: for instance, the emphasis on fighter aircraft would probably lead to demands for additional airfield facilities in Canada and for rights to station substantially larger numbers of US servicemen in Canada.

7. *The Committee*, after further discussion, agreed that:

(a) no statement would be volunteered on the incidence of Soviet flights over Canadian territory until further information was available from the USAF on the publicity which they had given to this subject;

(b) in due course a statement might be made to the following effect:

Canada has all the information which is available on the rare appearances of unidentified aircraft over North America. This information has not proved alarming, nor has it supported recent statements in the press concerning frequent violations of Canadian territory;

(c) US authorities should continue to be reminded of the vital concern of Canada in all continental defence plans and of the necessity for consultation of Canada at an early stage in the development of the plans.

. . .

716. DEA/50209-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2346 Washington, October 15, 1953

TOP SECRET. IMPORTANT.

CONTINENTAL DEFENCE — MEETING OF CONSULTATION IN WASHINGTON

Reference: My WA-2330 of October 14, 1953.†

We were informed today that the meeting, subject to your concurrence, has been fixed for next Thursday, October 22, at 3:00 p.m. in the State Department.

2. The Under-Secretary of State himself has now decided to be Chairman of the meeting. This, I gather, reflects the importance which the United States Government attaches to this consultation with us. The United States side will be represented by the following:

Under-Secretary Walter Bedell Smith,
Admiral Radford, Chairman of the United States Joint Chiefs of Staff,
Deputy Under-Secretary Robert Murphy (Freeman Matthews will probably not attend),

Robert Bowie, Director of the Policy Planning Staff,
Assistant Secretary for European Affairs Livingston Merchant,
Gordon Arneson, and
Hayden Raynor.

3. As indicated in my message under reference, the thoughts of the United States side on the agenda of the meeting are that Robert Bowie should lead off with a presentation of the United States views on their assumptions regarding the development of Soviet policy since Stalin's death. In order that the meeting should not be unnecessarily prolonged and also because of the attendance of Admiral Radford and General Foulkes, it is thought that the detailed analysis of the risks of war, such as was presented by Messrs. Acheson and Nitze at previous meetings of consultation, will be held over for another session. It is thought that this meeting should be more directly focused on a discussion of the risks of attack upon the continental United States and the measures which the United States believes should be taken to meet this threat.

4. After Bowie's presentation it is thought that Admiral Radford might take up the discussion with an appreciation of Soviet atomic capabilities, using as the basis of his presentation document NIE 90 and its revision, (which was cleared for transmission to Ottawa on Tuesday). Admiral Radford would then give an exposition of United States views on the measures which the United States Government thinks should be taken to deal with this threat.

5. It is understood that the discussion should be without commitment to either government. However, we have been told that it is the hope of the United States side that we should at least be prepared to offer opinions on the underlying assumptions regarding Soviet policy since Stalin's death, and on the United States appreciation of Soviet atomic capabilities as contained in document NIE 90 of August 27 and its revision.

6. This desire on the United States side that we should express some opinions (even though they may not be strictly official) on the under-lying assumptions regarding Soviet policy and offensive capabilities seems to me a reasonable request, considering the expected attendance at this meeting on the United States side. The nature of the subjects to be discussed might affect the composition of the Canadian group. For instance, if there is to be a discussion on Soviet offensive capabilities, taking into account developments in the Soviet Union in the atomic field, it might be desirable to have Dr. Solandt come down for the meeting as well as General Foulkes and Mr. MacKay.

7. There is to be, of course, no publicity at all about this meeting and the United States authorities are taking steps to do everything possible to keep the meeting secret. As precautions to this end, we shall probably be asked not to arrive in a group and some of the senior officials on both sides who are attending may be asked to use the private entrance which gives access to the Under-Secretary's Office, where the meeting probably will be held.

717. B.C./Vol. 102

Le ministre de la Défense nationale
au secrétaire à la Défense des États-Unis

Minister of National Defence
to Secretary of Defense of United States

TOP SECRET Ottawa, October 19, 1953

Dear Mr. Wilson:

I greatly appreciate your telephoning me today and the spirit of friendly co-operation which prompted you.

As you can imagine, we have been greatly disturbed over this spate of writing, particularly on continental defence, some of it speculative and other of it not so speculative but sometimes based on specific and detailed information.

One of these pieces was by Marquis Childs. It appeared in a number of American newspapers on September 12. It carried the first reference to the McGill Fence and, because it bore an Ottawa dateline, I was very disturbed that this leak might have occurred here.

We had a very thorough investigation and from this it appears as if Mr. Childs had full information about this project before arriving in Ottawa.

This sparked off a whole series of highly coloured articles in Canadian papers and it was followed by the piece in *Collier's* for October 16.

Throughout this period the press kept pressing service officers at every level, as well as the public relations officers and myself and staff, for statements. We decided to say just as little as possible in the hope that the heat would go out of all this.

However, after a good deal of consideration, I authorized Dr. Solandt, Chairman of the Defence Research Board, to make a statement about the McGill Fence and I enclose a copy of the statement he gave.† This was designed to cool things off and I must say that it was very effective indeed.

The Ulman article was very disturbing, not only because of the detailed information it contained, but even more because of the authoritative air it bore because of his sources.

I gave instructions that no references whatever were to be made to this and, as far as I know, when our people were asked for comment they refused on the score that this was an American article and that any comment should come from the United States.

However, the article did refer expressly to talks Mr. Ulman said he had with Canadian top ranking officers and scientists. This caused some comment and I decided last Friday in opening a new laboratory of the Defence Research Board to refer to it, which I did in the speech of which I enclose a copy.† You will notice the passage marked at page 5.

The only other feature of the Ulman article which was of particular interest to Canada was the sub-title, "Russian Planes are Raiding Canadian Skies". The passage on which this was based appears in the first column on page 33, "Almost every day, at least one unidentified airplane violates our continental borders. 'They come in at all times and places,' a general in the Alaskan Air Command had told me, 'and some have even penetrated deep into north central Canada'". I asked the Chief of our Air Staff to check with General Twining to make sure, as we would expect, no such statement had ever been made. General Twining confirmed this.

At a meeting of the Cabinet Defence Committee (corresponding roughly to your National Security Council) we considered for some time whether or not a statement should be made setting this right. However, I was against it at the time and that view prevailed.

Unquestionably I shall have to say quite a lot about all this when our House meets on November 12. My present intention is between now and then to make all the references I feel I need but in a way to attract as little attention as possible so that when the House meets I can say that I have already dealt with this and that I said so and so, trying to treat it all as rather stale stuff. To what degree this will succeed depends on what appears in the press between now and then.

The last week I was a good deal bothered by an article by Hal Burton which the *Saturday Evening Post* referred to our Director of Public Relations asking for clearance. The article was brought by the Director of Public Relations to me and I got the views of both External Affairs and the Chairman of the Chief of Staff Committee.

We all agreed that while the article contained no specific breach of Canadian security, the article itself was thoroughly objectionable in that it gave precisely the kind of information that we would like to have about the Russians as to the state of training and ability to carry on Arctic warfare.

The *Saturday Evening Post* is generally a friendly and responsible journal and naturally one would avoid doing anything which would be likely to be resented.

On the other hand, we felt strongly that it would not be correct to give security clearance without qualification.

In any event, we felt that we should go so far as to say that the clearance must not be taken as approval. Otherwise, publication of the fact of clearance without qualification would be assumed by the reader to be tantamount to approval.

We then considered if we should not go further and state that publication of the article would give the Russians information they would like to have or that we would like to have about them.

I enclose a copy of the letter which the Director of Public Relations of the Department proposes to send to the *Saturday Evening Post*.† You will see that in this form it contains both qualifications.

However, I am in some doubt about this unless your people took the same line. If both US authorities and Canadian authorities did take the same line it would have some effect. If we did and you did not, it would only cause resentment against us and would not have any other effect.

I would be very glad indeed if you could send me by telegram your view on this, as we are being pressed by *Saturday Evening Post* to send an answer and we would naturally like to accommodate them just as soon as possible.

I should add that it was a condition of Burton's going to Churchill that anything he wrote would be subject to clearance.

Reverting to the general subject, it is unquestionably one of the most difficult with which we have had to deal during the cold war. The chances are that the information made available to the Russians has been so extensive as to mystify their intelligence in evaluating its authenticity.

Our experience has shown that by and large it is not possible to exercise effective control over the form of an article for an important publication even though the information it contains has been made available subject to the express condition that the article must be cleared for security. Agreement that clearance will be sought will usually ensure that there is no specific breach of security; nothing can ensure that an article which is thoroughly objectionable on general grounds will not result from making the classified information available or from allowing the place to be visited.

It has seemed to us here that the right course to follow is not to give information which has been properly classed as Top Secret or Secret to people other than those who properly need it in the course of their work for our defence. (One thing which leads to breaches of security is that much too many matters are labelled "Top Secret" or "Secret". That is part of the problem.)

Another thing which helps is to have personnel from top to bottom thoroughly informed as to what we are doing and what has been told and what can be told about it and how they are to deal with the press and others. Here, the fact that our governmental system is so different from yours makes our position a bit easier. Here, it is well recognized that no one can, should or does make a statement on policy or describing an important development except the Minister himself. Generally speaking, our Generals do not make speeches and never give evidence before Parliamentary committees. Here, matters of policy are expressly excluded from reference to the only committee dealing with defence matters. The job of the committee is to go into defence expenditure and nothing else. No piece of classified information has ever been given to the committee.

I do hope that if you have any views in this connection you will let me have them quite frankly. As I pointed out to the Permanent Joint Board at a luncheon I gave them here on October 2 (we already had the *Collier's* article then) this was a matter of the gravest concern to all of us. We must not have censorship but we should have responsibility if our great progress in defence is to remain our progress and not that of the Russians as well.

We look forward to the President's visit in November. As I told you last February, we are most anxious that you should come here whenever you find it convenient to do so. Perhaps this might be arranged early in the new year.

With kindest personal regards,

Yours sincerely,

[BROOKE CLAXTON]

P.S. I find that in addition to the articles mentioned, including that in *Fortune*, an article on the possibilities of chemical warfare and especially of the G gases is scheduled to appear in *Collier's Magazine* early in November. I understand that this has been cleared with your Chemical Corps. As far as I know, no one here has seen the text but it is understood that it goes further than any previous revelation on this subject. There have been practically no articles on this subject in Canada. We have not allowed the press access to any establishment connected with chemical warfare and have not given out any information on it except of the most general character.

718. B.C./Vol. 102

Le ministre de la Défense nationale au premier ministre

Minister of National Defence to Prime Minister

TOP SECRET Ottawa, October 21, 1953

My dear Prime Minister:

1. As reported from time to time to the Cabinet Defence Committee, continental defence against air attack is being studied by a joint Canadian-American Study Group under the chairmanship of AVM Miller, Vice-Chief of the Air Staff. He has just given me an interim report in which the group recommends the establishment of additional radar defences which would follow a line roughly along the 55th parallel. But while the exact nature of this is not suggested, I understand that it would largely consist of equipment of the type of the McGill Fence, supplemented by equipment of a more discriminating type at places where air travel was heavy or where we needed additional protection for various reasons. The Group recommended a joint Canadian-American survey to determine the general location of the line and later the precise location of stations and work out an estimate of costs.

2. All this is very much more reasonable than the Lincoln Project. Indeed, the report is one with which I think any reasonable person would find it difficult to disagree. I anticipate that US defence authorities will wish to see it implemented at the earliest possible moment without prejudice to other studies being made of further measures, including possibly something like the Lincoln Project.

3. Mr. Howe and I have been giving consideration to this and we feel that [for] several reasons there would be a considerable advantage in our proceeding to build additional projects of the general character of the McGill Fence as an exclusively Canadian project. This would enable us to keep greater control of the production of equipment and the construction of sites. Experience would show that the cost would be so much lower than anything that might be undertaken jointly with the US that our paying for all of it would not involve us in a greater outlay than whatever might be considered as a proper share of a joint operation.

4. Making this suggestion now would moreover give us the initiative and enable us to tell our own people and the Americans that we were quite prepared to do anything we thought necessary in continental defence.

5. I feel quite certain that the Americans will not remain content with a line along the 55th parallel but will ultimately want to go for something like the Lincoln Project or even more.

6. Our taking the initiative with regard to the McGill Fence would put us in a better position to say: "Well, we think we have done what we thought was necessary for continental defence. If you want to go on and do more we are not going to stand in the way" and keep our self-respect without having to put out too great an expenditure of materials, manpower and money.

7. So that you may consider this, I have asked the Chairman of the Chiefs of Staff to prepare a plan with as accurate an estimate of what is involved as can be made with the information we have. We had a meeting last Monday night with the Chief of the Air Staff and the Chairman of the Defence Research Board and they should have something ready next week. I don't know if the information available will enable us to go even so far as an informed guess. It seems to me, however, that it would be useful to have this and give it some consideration before the President's visit.

8. One of the problems involved here is how we can continue to engage in a joint operation with all its advantages and still take the initiative in going right ahead along the lines we want.

Yours sincerely,

[BROOKE CLAXTON]

719. DEA/50209-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2429 Washington, October 23, 1953

TOP SECRET. IMPORTANT.

CONTINENTAL DEFENCE — MEETING OF CONSULTATION IN WASHINGTON[28]

Reference: My WA-2346 of October 15, 1953.

1. The meeting was held as planned in the State Department yesterday. For the United States it was attended by Under-Secretary Bedell Smith (who acted as

[28] Pour le rapport canadien au complet de la réunion, voir :
For the full Canadian report of the meeting, see:
Canadian Ambassador in United States to Under-Secretary of State for External Affairs, Letter No. 2077, October 30, 1953, DEA/50209-40.

Chairman), Admiral A.W. Radford, Chairman of the United States Joint Chiefs of Staff, Livingston Merchant, Assistant Secretary for European Affairs, Robert Bowie, Director of Policy Planning, Gordon Arneson and Hayden Raynor. As Canadian representatives, in addition to myself, there were General Foulkes, R.B. Bryce, R.A. MacKay, Admiral De Wolfe, and Ignatieff.

2. The discussion at the meeting took the form outlined in my message under reference. Bowie, after some introductory remarks by the Chairman, led off with a United States estimate of Soviet policy and the risks of war. Admiral Radford gave an appreciation of Soviet atomic capabilities and followed this up with an exposition of United States views on action which the administration thinks should be taken to strengthen continental defence. There was a round-table discussion on an informal basis on the views presented. A full report of the meeting will be sent forward early next week. This teletype is intended as an interpretative summary of the highlights of the meeting.

3. Bowie's analysis of Soviet intentions and his estimate of risks of war were reassuring. The views he presented, we understand, were based upon up-to-date appreciations prepared for the National Security Council. The main point in this appreciation was that, while the Soviet Union, in continuing to follow its ultimately hostile aims, might resort to war if its essential interests were challenged, the United States authorities do not consider that the Soviet Government intends to launch a general war in the near future. The reasons for this assumption included the following:

(a) Uncertainty about the outcome of general war,

(b) Change in Soviet leadership,

(c) United States capabilities of atomic retaliation, and

(d) Unrest among satellites.

Moreover, although Soviet military, political and economic strength are assumed to be increasing (particularly their atomic capability), and although the ultimate objective of the Soviet Union may be world domination, the United States appreciation is that for tactical reasons the Soviet Government may be prepared to establish a détente with the Western powers by negotiation. He entered the caveat, however, that there was at present insufficient evidence that the Soviet Government may be willing to make sufficient concessions to enable a modus vivendi to be arrived at. Another encouraging feature of Bowie's presentation was that, looking forward into the future a decade or more, the United States appreciation does not exclude the possibility of peaceful co-existence on the assumption that revolutionary zeal may diminish in the Soviet Union and that a vested interest in the status quo may develop from popular pressure and the growing managerial class.

4. The United States appreciation of Soviet atomic capabilities given by Admiral Radford was also somewhat reassuring. Based on a recent JIC report to the United States Joint Chiefs of Staff, he said that although the Soviet Union should be assumed to have the potential to deliver its existing stockpile against the United States, the JIC report concluded that no such Soviet attack was thought to be imminent. The following reasons were adduced:

(a) The danger of United States atomic retaliation;

(b) The questionable effectiveness of existing Soviet equipment, particularly reliance on TU4 aircraft capable only of one-way mission;

(c) Basic Soviet cautiousness; and

(d) Greater success might be expected of pursuing Soviet aims by other means. Thus, Admiral Radford concluded that although the Soviet Union [sic] launch atomic attacks against the United States, such attacks would not be sufficient to destroy United States retaliatory capability and its industrial base, and that the Soviet Union was not thought likely therefore to launch such an attack at least until its atomic potential was further developed.

5. After furnishing this background, Admiral Radford outlined United States views on continental defence. These views were based upon a directive issued by the National Security Council as guidance to the United States Joint Chiefs of Staff and to United States departments concerned with planning for continental defence. These views proceeded from the assumption that "Canadian participation on an adequate scale is essential to any effective continental defence system" and that "this requires a common appreciation of the urgency and character of the threat to United States-Canadian security and the measures required to meet it." In this connection, Admiral Radford said: "We naturally seek to determine the extent to which Canada may wish to take leadership in parts of the system and to contribute to its expense". Among the immediate objectives listed were — the "Southern Canadian" early warning system, the extension to seaward of contiguous radar coverage in selected areas, consideration of methods, of aircraft identification, completion of defence plans, and development of a device for the detection of fissionable material introduced by clandestine means.

6. In connection with "the Southern Canadian early warning system", which is the term employed by Radford, MacKay has sent a separate message to McNaughton, transmitting a letter from General Henry suggesting an early meeting of the PJBD to consider the recommendations of the joint Military Study Group, which have apparently already been approved by the United States Joint Chiefs of Staff.

7. In commenting on these United States views, we stressed the infonnal nature of the discussion. We found little to quarrel with in Bowie's presentation, which as I say, was admirable and reassuring. We stressed, of course, the importance of not missing any chance of negotiations leading to a possible modus vivendi. In the discussion of Soviet atomic capabilities and the United States contemplated measures, we stressed that it would be more reassuring to our NATO partners if it could be explained that efforts in strengthening the air defences of North America are in line with the NATO concept and are essential for the defence of the war-making potential of the NATO alliance. Bedell Smith and Radford were sympathetic to this view. Likewise, we underlined the various high policy considerations which the Canadian Government has to take into account in considering proposals for increased measures of continental defence, including balance of forces and commitments at home and abroad. We found a cordial and understanding reception for the points we made.

8. There was also ready agreement that hysteria or exaggeration in the public press in the discussion of continental defence problems was harmful and that a joint statement might help to put the issues into proper perspective. Bedell Smith, in concluding the meeting, said that apart from continuing such a series of meetings of consultation for the purpose of discussing risks of war generally, he welcomed this kind of free exchange of views on problems of continental defence and suggested that it might be desirable to hold another meeting shortly. He said he would be ready to meet just as soon as we desired another meeting and threw out the suggestion that there might be a case for another consultation before the President goes to Ottawa preparatory to any statement that might be issued then.

720. B.C./Vol. 102

Le secrétaire à la Défense des États-Unis au ministre de la Défense nationale

Secretary of Defense of United States to Minister of National Defence

Washington, October 29, 1953

Dear Mr. Claxton:

I have received your letter and was glad to have your thoughts concerning the articles which have been appearing recently in the journals and periodicals, because we have been devoting considerable attention to this problem.

I feel, and from your letter I believe you agree, that for the most part the people who write and publish these magazines and periodicals are well intentioned folks. However, sometimes they appear to have a little difficulty discerning between what might sell a few more magazines and what is in the best national interest.

We have found that certain statements in the *Collier's* article are complete fabrications and propose to call these to the attention of the writer and the publisher as well as certain other statements that border on serious violations of security. With your permission, we would also like to direct their particular attention to the statement you made on October 16th.

We have reviewed the article which the *Saturday Evening Post* plans to print, and while we find no grounds for objecting to the article on the basis of security violations, we are requesting the deletion or modification of certain statements which we consider objectionable on general grounds in the overall national interest, per the manuscript copy enclosed.

We are making a concerted effort to develop a program that is mutually satisfactory to our military establishment and the press in that it will afford the media an opportunity to write concerning matters which they think are of interest to their readers but will also give us the prerogative of deleting statements and opinions which in our judgment are objectionable from the overall security point of view. To accomplish this will undoubtedly take a considerable amount of doing and pains-

taking effort to impress upon the newsmen that we neither are attempting censorship nor arbitrarily controlling their efforts to write the truth as they see it, so long as what they write is reasonably constructive and is not damaging to our relation with our friends and allies and does not violate security restrictions. At the same time we are working closely with our own people to develop a closer coordination of public statements concerning defense policy and important developments.

I am hopeful that through a frank, open-minded interchange of point of view and the maintenance of the type of mutual trust that prevailed between the press and the defense establishment during World War II, we can each perform our tasks and discharge our responsibilities in a manner which is in the best national interest.

Sincerely,

C.E. WILSON

721. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], November 4, 1953

. . .

CABINET DEFENCE COMMITTEE; REPORT OF MINISTER OF NATIONAL DEFENCE

64. *The Minister of National Defence* reported on developments in recent meetings of the Cabinet Defence Committee:

. . .

(h) Discussions had been held with reference to continental defence. From the successful thermo-nuclear explosions in the Soviet Union it was clear that the Soviet Union could manufacture formidable weapons and that they were further ahead in development in this field than had been thought possible. Continental defence loomed large in the calculations of the military planners in the United States. On the other hand, the concern of officials in the United States had been highly exaggerated in the press, and, on the whole, reasonable views prevailed in Washington. The Committee had agreed that an early warning line should be established along the 55th parallel and that Canada should undertake the planning and construction of the line without prejudice to a later decision on the division of costs. It was proposed to use the so-called McGill Fence type of equipment which was much cheaper than the ordinary type of radar station. With the developments in the Soviet Union and the character of the aircraft which might be available it was now thought possible that any attack on the North American Continent might come from seaward directions rather than along the primarily overland routes.

65. *The Cabinet* noted with approval the report of the Minister of National Defence on matters dealt with at a recent meeting of the Cabinet Defence Committee.

722. DEA/50209-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2519 Washington, November 4, 1953

TOP SECRET. IMMEDIATE.

FURTHER MEETING OF CONSULTATION ON CONTINENTAL DEFENCE

We have just been informed by the State Department that Under-Secretary Walter Bedell Smith and General Ridgway agree to the holding of a further meeting next Friday, November 6, at 5:00 p.m. The meeting would be in the Under-Secretary's office. Pending receipt of written instructions from you, we have indicated that the purpose of the meeting is to put forward certain reactions to the discussion on continental defence at the previous meeting held on October 22, with particular reference to what might be done as the next step.

2. We have been told that it is desired to keep the meeting as small as possible. Apart from Bedell Smith, there will only be General Ridgway and one or two State Department officials. General Ridgway has indicated that he will represent the United States Joint Chiefs of Staff in the absence of Admiral Radford, and prefers not to have any other subordinate officers, such as General White.

3. I assume that apart from General Foulkes we need be represented only by myself and Ignatieff.

4. As to the agenda, the United States side want to keep the meeting short and directed to a discussion on continental defence. They assume that there will be no discussion on a statement on defence matters since there have already been informal consultation between Ottawa and Washington on this matter in connection with the preparation of a draft of a possible communiqué to be issued on the occasion of the President's visit to Ottawa. In fact, it is my understanding that the idea of issuing a separate statement on defence at this time has been dropped; it would certainly come as a surprise here and might well be resented.

723. DEA/50209-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1898 Ottawa, November 5, 1953

TOP SECRET. IMMEDIATE.

FURTHER MEETING OF CONSULTATION ON CONTINENTAL DEFENCE

Reference: Your Telegram No. WA-2519 dated November 4, 1953.

Following from the Under-Secretary, Begins: I think that in keeping with the procedure followed at previous Meetings of Consultation, you, as Canadian Ambassador, should present to the Meeting the conclusions of the Canadian Government as reached at the meeting of Cabinet Defence Committee on November 3. The text of the discussions and conclusions is being sent to you in a separate telegram. General Foulkes, who was present at the Cabinet Defence Committee Meeting, will be present to collaborate with you in the presentation.

2. It is suggested that you might make the following points in the course of the discussion:

(a) Because of the importance it attaches to the problem of continental defence, the Canadian Government has acted with the greatest possible speed in order that the measures considered necessary by the two Governments might be instituted as rapidly as possible. The Canadian Government has been able to determine its policy quickly because the requirement has been evolved jointly from the earliest stages through the medium of the Canada-United States Military Study Group.

(b) When informing the meeting of the decision of the Canadian Government that it should take responsibility for construction of the line, without prejudice to any financial arrangements which may, in due course, be made between the two Governments, you might explain that it is the opinion of the Canadian Government that by vesting responsibility for construction in a single authority, the project will be carried through with the greatest possible rapidity and administrative convenience.

(c) You might point out that this Meeting is informal and that it will be necessary subsequently to formalize the arrangements by discussions in the Permanent Joint Board on Defence, and possibly by an exchange of correspondence.

3. In view of the proposal made by General Henry in a letter to General McNaughton dated October 20, that the Permanent Joint Board on Defence should meet at an early date to discuss this matter, I am of the opinion that as a matter of courtesy, General Henry should be informed of what is taking place. My immediately following telegram is a message for General Henry from the Secretary, Canadian Section, PJBD,† which, if you agree, could be delivered to the Secretary, United States Section, PJBD, tomorrow, November 6. Message ends.

724. DEA/50209-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-1900 Ottawa, November 5, 1953

TOP SECRET. IMMEDIATE.

CONTINENTAL DEFENCE

Reference: Our Telegram No. EX-1898 of November 5, 1953.

The following is the text of the minute of the meeting of Cabinet Defence Committee held on November 3, 1953, concerning continental defence. This is sent to you with the permission of the Acting Secretary to the Cabinet who requests that its distribution be strictly limited. Begins:

Continental Defence

The Minister of National Defence referred to the work of the Military Study Group on which a progress report had been made at the previous meeting of the Committee. The interim report of the Group, which had now been completed, recommended a new early warning line generally along the 55th parallel between Alaska and Newfoundland. The Canadian and US Chiefs of Staff had approved the report of the Military Study Group and recommended an early warning system providing a minimum of two hours' notice of advancing aircraft. It would first be necessary to make a detailed survey of the early warning line, only on completion of which would it be possible to arrive at a firm estimate of cost.

The Chairman, Chiefs of Staff, reported on talks in Washington between Canadian and US officials. He explained that the recent US emphasis on continental defence was closely related to the successful thermo-nuclear explosions in the Soviet Union. It was now clear that the Soviet Union could manufacture weapons of formidable power and advanced design and would soon be able to provide the means of delivering them. In these circumstances, North America, and particularly the Strategic Area Command bases and atomic energy facilities, became increasingly attractive targets.

An explanatory memorandum had been circulated.

(Minister's memorandum, October 29, 1953, "Continental Air Defence" — Document D45-53)†

In the course of discussion the following points emerged:

(a) The assumption by Canada of the cost of the new early warning line might be justified since it might be difficult to explain large US expenditures of US resources on Canadian soil while Canada was maintaining substantial forces abroad.

(b) It was too early to make any reliable estimate on the cost of the line, and the problems of northern construction would likely make the final charges very high;

nevertheless, the cost of Canadian construction would probably be substantially lower than of US construction.

(c) No decision was necessary at present on the division of costs for a new early warning line; it would be preferable at this stage of negotiations to give no indication to the United States of the likelihood or size of a Canadian contribution to the line.

(d) Canada should assume the leadership in the planning and construction of this line without prejudice to a decision on the division of costs.

(e) It would be desirable to record in the records of the Permanent Joint Board on Defence the views of each country on the need for additional early warning facilities on the 55th parallel line; it was, however, not necessary to await a meeting of the Board to inform the US authorities of the views of the Canadian Government.

The Committee, after further discussion, agreed that:

(a) an early warning line should be established along the 55th parallel of latitude;

(b) The Chiefs of Staff should instruct the Canadian Section of the Study Group to urge the Study Group to complete the selection and specifications for equipment for the early warning line;

(c) The RCAF, in consultation with the USAF, should carry out a detailed survey of the proposed early warning line and the sites along it.

(d) Canada should undertake the planning and construction of the early warning line, without prejudice to a later decision on the division of costs.

(e) the views of the Canadian and US Governments on the need for additional warning facilities in the vicinity of the 55th parallel of latitude should be recorded in the Journal of the Permanent Joint Board on Defence at its next meeting; meanwhile, however, the Chairman of the Chiefs of Staff and officials of the Department of External Affairs might meet in advance with US officials to inform them of Canadian views. Message ends.

725. DEA/50209-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2557 Washington, November 7, 1953

TOP SECRET. IMPORTANT.

FURTHER MEETING OF CONSULTATION ON CONTINENTAL DEFENCE[29]

Reference: Your teletypes Nos. EX-1891 of November 4[30] and EX-1898 of November 5, 1953.

The further meeting of consultation, arranged in accordance with instructions contained in the messages under reference, took place Friday, November 6. The measure of interest in this meeting on the United States side may be judged from the fact that unexpectedly all those who had attended the previous meeting held on October 22 were present, except Admiral Radford who is in Europe and Livingston Merchant who is occupied with Trieste. General Matthew B. Ridgway, Chief of the Army Staff and Acting Chairman of the United States Joint Chiefs of Staff, substituted for Admiral Radford. General Foulkes, Admiral De Wolfe, Ignatieff, McCardle[31] and I attended as Canadian representatives.

2. In opening the discussion on the lines suggested in your EX-1898, I explained that we had suggested a further meeting in order to inform the United States officials at the highest level of certain conclusions reached by the Canadian Government at a meeting of the Cabinet Defence Committee on November 3 concerning continental defence. After outlining these conclusions, I stressed that the speed with which the Government had acted and communicated its views in this manner to the United States indicated the importance we attached to the problem of continental defence. I also said that the Canadian Government had been able to determine its policy quickly because the requirements for the southern early warning line had been evolved jointly through the Canada-United States Military Study Group. I explained that in being willing to assume responsibility for the construction of the line without prejudice to any financial arrangements which might in due course be made between the two governments, it was the opinion of the Canadian Government that the project would be carried through with the maximum speed and convenience by vesting responsibility for construction in a single authority. Finally, I suggested that since this meeting was informal, it would be necessary subsequently

[29] Pour le rapport canadien complet de la réunion, voir :
For the full Canadian report of the meeting, see:
Canadian Ambassador in United States to Under-Secretary of State for External Affairs, Letter No. 2173, November 11, 1953, DEA/50209-40.

[30] Non trouvé./Not located.

[31] J.J. McCardle, deuxième secrétaire, ambassade aux États-Unis.
J.J. McCardle, Second Secretary, Embassy in United States.

to formalize arrangements later by discussion in the PJBD and possibly by an exchange of correspondence.

3. General Foulkes supplemented my presentation with a statement on behalf of the Canadian Chiefs of Staff, explaining the nature of the recommendations which they had made to the government in the light of the United States views on continental defence presented at the meeting of October 22. He stressed that in accordance with the decision of the government it was important that certain measures should be undertaken forthwith, such as the detailed survey of the early warning line and the finalization of the selections and specifications of equipment. To this end there should be consultation between the RCAF and the USAF on the survey of the line and the detailed estimate of the cost. The Joint Study Group should be urged to finalize selection and specification of the equipment. He also suggested that as soon as these details had been cleared up, Canada would undertake the necessary steps as regards equipment so that there would be no delay in establishing the line once construction is completed. He suggested also that the operating agencies from now on should be the RCAF and the USAF, it being understood that the Chiefs of the Air Staff of both countries would report progress through the respective Chiefs of Staff. Finally, General Foulkes suggested that the Canadian authorities would be prepared to go ahead with the immediate steps he had indicated as soon as the proposals had been agreed by the United States Joint Chiefs of Staff; agreement on any joint arrangements could be formalized through the PJBD.

4. The Chairman, General Bedell Smith, commenting on our presentations, remarked that he could not say how gratified he was at the quick action which had been taken by the Canadian Government. He said that what had been proposed seemed completely acceptable and it now seemed to be up to the United States Joint Chiefs of Staff to take prompt action.

5. General Ridgway said while he was personally in complete agreement he was not in a position to commit the United States Joint Chiefs of Staff at the present meeting. However, in his capacity as Acting Chairman he undertook to call a meeting early next week to report what had been said on behalf of the Canadian Government and to approve necessary action.

6. Both Bedell Smith and Ridgway expressed satisfaction on the progress which had been made. Bedell Smith mentioned that the National Security Council was keeping a close watch on the continental defence problem and that he was glad that he would be able to report some progress.

7. As regards further meetings of consultation, Bedell Smith said that it was for the Canadian representatives to call a meeting at any time they wished to have one. He thought that it was not desirable to have meetings at set periods, but he was impressed with the usefulness of the two meetings which had been held.

8. After the discussion on continental defence had been concluded, General Foulkes raised the question of the participation of personnel from the Canadian armed forces in United States exercises involving atomic weapons. He explained that, at present, experience in the Canadian armed forces was extremely limited because they could draw only upon Canadian facilities in view of the restrictions placed upon co-operation between Canada and the United States in the McMahon

Act of 1946. It was becoming difficult to explain why at least a selected group of officers and other ranks from Canada could not take part in United States exercises and thus be in a position to train Canadian forces in order to prepare them for possible joint operations. He realized that it might not be possible to obtain an immediate answer, but he hoped that this matter would be considered urgently by the United States authorities, and particularly the United States Joint Chiefs of Staff.

9. Both Bedell Smith and Ridgway immediately replied that they were most sympathetic to the desirability of having co-operation between Canada and the United States along the lines suggested by General Foulkes. General Bedell Smith said that he hoped that the Canadian authorities would bear with the "ponderous procedure" which had to be followed in the United States. He suggested, however, that if the Chairman of the Canadian Chiefs of Staff were to submit a specific requirement in writing to the Chairman of the United States Joint Chiefs of Staff for training facilities for personnel from the Canadian armed forces in regard to effects of atomic weapons, the United States authorities would go as far as possible under the law to meet this request. He said that this request would come before the special committee set up under the National Security Council to deal with atomic matters consisting of representatives of the USAEC, the State Department, and the Department of Defence. He said that he represented the State Department on this committee and would be glad to make the presentation on behalf of Canada, basing his justification on the special needs of co-operation in defence between Canada and the United States, particularly in continental defence. He suggested that in the first instance, it would be desirable to have the approach from Canada go through the service-to-service channel, to be handled informally. If it were necessary, the arrangements might be formalized later through the diplomatic channel.

10. After the meeting we were told by Arneson in confidence that only on the previous day arrangements had been authorized by the President, after consulting members of the Joint Congressional Committee, to make special arrangements with the British and ourselves to receive information on atomic weapons' effects. We judged that these arrangements developed largely as a result of the talks which Cherwell and Cockroft recently had in Washington. The quasi-legal basis for these arrangements is to be the tripartite modus vivendi of 1948 which envisaged exchange of information on factors concerning "health and safety". The Chairman of the USAEC, Admiral Strauss, is to talk further about these measures with Makins and myself next Tuesday at lunch. Arneson said that he was giving us this information in private to indicate that in submitting a request for co-operation in the field of atomic weapons' effects, we would be "pushing at an open door".

11. As you see, this further meeting proved to be justified and the results were pretty satisfactory from our point of view. The usual record will follow later after it has been compared with the notes taken on the United States side.

726. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], November 19, 1953

. . .

CONTINENTAL DEFENCE

11. *The Minister of National Defence*, referring to discussion at the meeting of November 4th, suggested that it would be an opportune time to provide some information to the public on government policy on continental defence. The President of the United States, in his speech in Ottawa on November 14th, had already made general reference to the urgency of action on agreed measures of defence. It seemed appropriate to outline the action which the government was considering and, to this end, he proposed making a statement, shortly, in the House of Commons.

12. *The Cabinet* approved the proposal of the Minister of National Defence to make, shortly, a comprehensive statement on continental defence in the House of Commons, in the course of which he would refer, in general terms, to the military studies which had been made and to the intention to strengthen radar defences.[32]

. . .

SECTION J

PIPELINE HAINES-FAIRBANKS
HAINES-FAIRBANKS PIPELINE

727. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], February 26, 1953

. . .

HAINES-FAIRBANKS MILITARY PIPELINE PROJECT

12. *The Minister of National Defence, as Acting Secretary of State for External Affairs*, referring to discussion at the meeting of August 20th,[33] 1952, recommended that there be an Exchange of Notes with the United States covering conditions for

---

[32] Canada, *Débats de la Chambre des communes*, session 1953-1954, volume I, 26 novembre, pp. 380-386.
Canada, House of Commons, *Debates*, Session 1953-1954, Volume I, November 26, pp. 360-365.

[33] La date exacte est le 27 août 1952.
The correct date is August 27, 1952.

the construction of an oil pipeline from Haines, Alaska, to Fairbanks, Alaska, through British Columbia and the Yukon Territory. The recommendation was concurred in by the Minister of Resources and Development.

An explanatory memorandum had been circulated.

(Acting Minister's memorandum, Feb. 23, 1953, and attached draft of Exchange of Notes, Orders-in-Council, etc. — Cab. Doc. 51-53)†

13. *The Cabinet* approved the recommendation of the Acting Secretary of State for External Affairs and agreed:

(a) that the Minister of Resources and Development be authorized:

(i) to request the British Columbia government to pass an Order-in-Council transferring to Canada the administration, control and benefit of the land required for the right-of-way to a pipeline from Haines, Alaska, to Fairbanks, Alaska, through British Columbia territory;

(ii) to submit to the Governor-in-Council a recommendation that Canada accept the transfer; and,

(iii) to submit to the Governor-in-Council a recommendation for the appointment of a special commissioner;

(b) that, on passage of the two Orders-in-Council, the Acting Secretary of State for External Affairs be authorized to enter into an Exchange of Notes with the US Ambassador, in accordance with the draft submitted, covering the terms and conditions for the construction of the pipeline from Haines to Fairbanks through British Columbia and Yukon Territory; and,

(c) that the Acting Secretary of State for External Affairs be authorized to inform the US government that the US Army might advertise for tenders immediately, subject to prior issuance of an agreed public statement by the two governments, without waiting for the completion and signature of the Exchange of Notes.

. . .

728. DEA/10815-40

Note de la 1re Direction de liaison avec la Défense pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Defence Liaison (1) Division to Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], March 2, 1953

HAINES – FAIRBANKS PIPELINE PROJECT

Immediately following the approval by Cabinet last week of our proposals regarding the Haines-Fairbanks pipeline project, we took up with the US Embassy the question of when the announcement of the project should be made public and when the US Army proposed to call for tenders. The fact that Canadian approval of the arrangements for the project was expected last week was well known both to the Embassy and the State Department since the timetable for the various actions

involved had been discussed fully with Mr. Peterson of the State Department and Mr. Morgan of the Embassy in January. To our surprise, the Embassy, after consulting the State Department, reported that the Defense Department had not yet approved the arrangements which had been arrived at in consultation between the State Department and ourselves and that the new administration had issued an order that all large projects outside the continental limits of the United States would have to be reviewed.[34]

2. Since making its first request to the Canadian Government for approval of the project last June, the United States has repeatedly emphasized the urgency with which it regarded the project. The Journal for the June 1952 meeting of the PJBD states as follows:

"The urgent military requirement for an assured supply of POL[35] products for forces in Alaska was emphasized to the Board by the US Army Member. He stated that the US services had accorded an extremely high priority to this project since it was considered that it would be logistically of great value in an emergency and could serve the joint defence interests of Canada and the United States."

3. At a meeting of the Canadian and US officials in Ottawa in August, the representative of the US State Department stated that it was desired to advertise the contract at the earliest possible date. In September 1952, Mr. Wershof again asked for assurances from the US that the project was regarded as urgent. As a consequence, on October 14, 1952, Mr. Frank Pace, Jr., Secretary of the US Army, wrote a letter to the US Secretary of State stressing the urgency with which the project was regarded by the US Army.

4. Because of the difficulties encountered in connection with the negotiations with the BC Government, it was not possible to complete the negotiations with US officials until the end of January 1953. At that time, Mr. Wershof again asked Mr. Peterson of the US State Department whether the US Army still considered the project as urgent and wished to advertise for tenders in advance of the Exchange of Notes. Mr. Peterson stated that this was the case, and as a consequence, the Memorandum which this Department submitted to Cabinet incorporated a provision to this effect.

5. The obscurity of the intentions of the US Government at this point is most embarrassing in view of the pressure which this Department has exercised to get negotiations completed as rapidly as possible. In particular we are faced with the question of whether or not we should now ask the BC Government to pass the Order-in-Council in connection with the right-of-way through that Province. I propose, therefore, that if the US position is not clarified by tomorrow, Mr. MacKay should call in Mr. Bliss and discuss the matter with him.[36]

M. WERSHOF

---

[34] Note marginale:/Marginal note:
Noted. W[ilgress]

[35] essence, huile et lubrifiants.
petroleum, oil and lubricants.

[36] Note marginale:/Marginal note:
Agreed. W[ilgress]

729. DEA/10815-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Assistant Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], March 4, 1953

HAINES PIPELINE

As agreed, I asked Mr. Bliss to come over this afternoon to have a word about the Haines pipeline. I explained to him that we were all ready to go ahead with the note, that British Columbia was waiting to pass the Order-in-Council agreed upon and that a letter to British Columbia had been drafted and was all ready to go requesting them to pass the Order-in-Council but that, in view of the word from the Embassy that the Pentagon was reconsidering the project, we were holding up the letter to British Columbia.

2. I suggested to Mr. Bliss that the Department had gone to considerable length to accommodate the United States, that the project had been put before Cabinet as a matter of urgency and that the Government had had considerable difficulty in getting British Columbia to agree to a satisfactory Order-in-Council. I suggested that he might like to impress upon Washington that this Department felt there was some danger of difficulties arising on this side if further changes were proposed by Washington or if the decision were unduly delayed.

3. Mr. Bliss seemed to agree fully with what I had to say. He said, further, that the Embassy and the State Department were rather "red in the face" over the Pentagon's action and that he would certainly bring it to their attention by telephone this afternoon.

R.A. M[ACKAY]

730. DEA/10815-40

Le conseiller de l'ambassade des États-Unis à la 1re Direction de liaison avec la Défense

Counsellor, Embassy of United States, to Defence Liaison (1) Division

CONFIDENTIAL Ottawa, March 26, 1953

Dear Mr. Wershof:

I am pleased to inform you that the United States Department of the Army has now informed the Department of State that it concurs in the proposed Exchange of Notes concerning the Haines-Fairbanks Pipeline, of whose approval by the Canadian Cabinet the Embassy was orally informed on February 27.

In advising the Department of State of its concurrence, the Department of the Army indicated that in so doing, it assumed that the Department of External Affairs would, as has been orally agreed, formalize in a letter to this Embassy the arrangements regarding customs and excise arrangements set forth in the letter addressed to Assistant Under Secretary MacKay by Mr. David Sim, Deputy Minister of National Revenue, on August 21.

The Embassy is therefore in a position to proceed at the convenience of the Department of External Affairs with the proposed Exchange of Notes.

Very truly yours,

J.H. MORGAN

731. DEA/10815-40

La 1re Direction de liaison avec la Défense au conseiller de l'ambassade des États-Unis

Defence Liaison (1) Division to Counsellor, Embassy of United States

CONFIDENTIAL Ottawa, May 19, 1953

Dear Mr. Morgan:

HAINES-FAIRBANKS PIPELINE PROJECT

I refer to your letter of March 26, 1953, in which you stated that the United States Embassy was in a position to proceed at the convenience of the Department of External Affairs with the proposed Exchange of Notes on the Haines-Fairbanks Pipeline Project.

2. The British Columbia Government, on May 2, 1953, passed Order-in-Council No. 1071 covering the transfer to the Government of Canada of the administration, control, and benefit of the land required in British Columbia for the right-of-way for the pipeline. On May 13, 1953, the Governor General in Council approved Order-in-Council No. PC 1953-763 accepting on behalf of Her Majesty in right of Canada the administration, control, and benefit of lands required in British Columbia for the right-of-way.

3. This Department has requested the Department of National Revenue to obtain an Order-in-Council in connection with the customs and excise arrangements set forth in the letter from the Deputy Minister of National Revenue to Mr. MacKay of this Department and dated August 21, 1952. As soon as this Order-in-Council has been obtained, this Department will confirm in a letter to you the arrangements regarding customs and excise as outlined in the above-mentioned letter of August 21, 1952.

4. It seems to me that we are now sufficiently close to the time when the Exchange of Notes might take place that it would be worth while for each of us to set up our notes, without actually dating them, in order that we might give each other

an opportunity to check the texts, thus making it possible for all three notes to carry the same date.

5. The Department of Resources and Development has asked this Department to ascertain the intentions of the United States Army regarding advertising for tenders and starting actual work on the project, since the answers to these questions will determine the date of the appointment of the Special Commissioner for the project. We should also be interested to know of your views regarding the time of issue of the press release. Do you propose that it should be done immediately subsequent to the Exchange of Notes, or are you for any reason likely to wish that it be delayed for a further period, and, if so, for how long?

Yours sincerely,

M.H. WERSHOF

732. DEA/10815-40

Le chargé d'affaires de l'ambassade des États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires, Embassy of United States, to Secretary of State for External Affairs

NOTE NO. 288 Ottawa, June 30, 1953

CONFIDENTIAL

Excellency:

I have the honor to refer to discussions which have taken place in the Permanent Joint Board on Defense, and subsequently between representatives of our Governments, concerning a proposal for an oil pipeline installation from Haines to Fairbanks, Alaska, passing through northwestern British Columbia and Yukon Territory, to be constructed, owned and operated by the Government of the United States of America in the mutual defense interests of both countries.

Upon instructions from my Government, I propose that the Government of Canada grant permission to the Government of the United States of America to construct, own and operate a pipeline from Haines to Fairbanks, passing through Canada, on the terms and conditions which have been arranged in recent discussions between our Governments, and which are set forth in the annex to this note.

DON C. BLISS

[PIÈCE JOINTE/ENCLOSURE]

Annexe

Annex

CONFIDENTIAL [Ottawa], June 30, 1953

(In this Annex, unless the context otherwise requires, "Canada" means the Government of Canada, and "United States" means the Government of the United States of America.)

1. *Right-of-Way*

All land or interest in land required for the right-of-way of the pipeline and appurtenances including any pumping stations (hereinafter referred to as the pipeline unless otherwise specified), and for access roads, will be acquired by and remain in the title of Canada. Any expense incurred in the acquisition of such land shall be assumed by Canada. The United States will be granted without charge an easement for the pipeline for such time and upon such conditions as may be agreed pursuant to paragraph 3 of this agreement. The United States shall have free of charge the use of access roads to the pipeline under such reasonable conditions as shall be mutually agreed upon.

2. *Plans*

In order to safeguard Canadian interests, the detailed plans, description of the route and access roads, and specifications of the pipeline will require the approval of the appropriate Canadian authorities in advance of construction, and Canadian officials shall have the right of inspection during construction.

3. *Tenure*

It is mutually agreed that the common defense interests of the two countries will require continuance of the pipeline for a minimum period of twenty years. At the expiration of this period, in the event that either Government wishes to discontinue the arrangement, the question of continuing need will be referred to the Permanent Joint Board on Defense. In considering the question of need, the PJBD will take into account the relationship of the pipeline and related facilities to the defense installations in Alaska. Following consideration by the PJBD as provided above, either Government may terminate the arrangement, in which case that Government shall give due consideration in any subsequent operation of the pipeline to the defense needs of the other country.

4. *Title*

Ownership of the pipeline and auxiliary installations shall remain with the United States pending any termination of the arrangement pursuant to paragraph 3, at which time the United States may remove the pipeline from the right-of-way, restoring the right-of-way to its original condition as far as it is practicable and reasonable so to do in the opinion of Canada. Such removal of the pipeline and restoration of the right-of-way shall be completed within two years of the effective date of the termination of the arrangement.

5. *Use of the Pipeline to Meet Canadian Requirements*

The United States will connect the Haines-Fairbanks pipeline to the three-inch Whitehorse-Fairbanks pipeline at a point near Haines Junction. The United States will permit additional connections to be made to both the Haines-Fairbanks and the three-inch pipeline within Canada on reasonable terms and conditions as shall be mutually agreed upon. For the period of operation by the United States of the Haines-Fairbanks pipeline, the United States, if requested by Canada, will continue to operate and maintain the three-inch pipeline between the point of connection referred to above and Whitehorse. In the operation of both the Haines-Fairbanks pipeline, and the three-inch pipeline between the point of connection and Whitehorse, and the storage facilities at Whitehorse the United States undertakes:

(a) to give assurance of equal consideration to Canadian defense requirements with those of the United States;

(b) to make available at the request of Canada, on reasonable terms to be mutually agreed upon, the use of these installations to meet Canadian civil needs as military requirements permit.

6. *Understanding regarding Disposition of Title to Rights in Existing Pipelines in Northern British Columbia and Yukon Territory*

Nothing in this agreement shall add to, or subtract from, the existing agreements between Canada and the United States regarding the disposition of existing pipelines (see below) except as provided in paragraphs 5 and 7 of this agreement.

Note: Exchange of Notes of June 27 and 29, 1942; Exchange of Notes of August 14 and 15, 1942; Exchange of Notes of June 7, 1944; Exchange of Notes of February 26, 1945; Exchange of Notes of December 21, 1945 and January 3, 1946.

7. *Disposition of Four-inch Pipeline from Skagway to Whitehorse*

In the event that notice is given by the United States of the termination of operation of the existing four-inch pipeline between Skagway and Whitehorse, the United States will transfer to Canada, if requested by Canada, without compensation, any equity which it may have in that part of the pipeline located in Canada and, to the extent that it lies within the power of the United States, will undertake under such terms and conditions as shall be mutually agreed upon, to make available for use by Canada that part of the four-inch pipeline from the Canadian border to Skagway as well as the terminal and pumping facilities at that port.

8. *Construction*

(a) Canadian contractors will be extended equal consideration with United States contractors in the awarding of contracts, and Canadian contractors and United States contractors shall have equal consideration in the procurement of materials, equipment and supplies in either Canada or the United States.

(b) Any contractors awarded a contract for construction in Canada will be required to give preference to qualified Canadian labor for such construction in Canada. The rates of pay and working conditions for all labor employed in such construction will be set after consultation with the Canadian Federal Labor Department and will be not less than in accordance with the Canadian Fair Wages and Hours of Labor Act of 1935.

(c) Canadian materials will be used on the Canadian portion of the line as far as feasible.

(d) Canadian law (e.g. tax laws, labor laws, workmen's compensation, unemployment insurance, etc.) will apply.

(e) Subject to the agreement of the appropriate Canadian authorities, the United States may be granted permission to use, without charge, timber, gravel, and other construction material on Federal Crown lands; these materials to be used only for construction in Canada.

(f) The United States will be responsible for the satisfactory disposal of any construction camps and materials abandoned in Canada after completion of the pipeline.

(g) Canada will take the necessary steps to facilitate the admission into the territory of Canada of such United States citizens as may be employed on the construction or maintenance of the pipeline, it being understood that the United States will undertake to repatriate at its expense any such persons if the contractors fail to do so.

9. *Maintenance*

Qualified Canadian civilian labor will be used as far as feasible for the maintenance by the United States of the section of the Haines-Fairbanks pipeline within Canada.

10. *Non-transferability of Rights*

Rights granted by Canada under this agreement are granted to the United States and may not be transferred or alienated by the United States to any person or corporation without the express consent of Canada in advance in writing.

11. *Supplementary Arrangements and Administrative Agreements*

Supplementary arrangements or administrative agreements between authorized agencies of the two Governments may be made from time to time for the purpose of carrying out the intent of this agreement.

12. *Telephone and Telegraph Facilities*

This agreement contemplates that communications facilities may be erected, operated and maintained at the expense of the United States, located within or reasonably near the right-of-way, under terms and conditions to be mutually agreed, for use solely in the construction and operation of the pipeline.

13. *Claims*

The United States undertakes to make reasonable provision for the disposition of claims and for the satisfaction of any proper claims arising out of damage or injury to persons or property occurring in the territory of Canada in the course of, or in connection with, the construction, maintenance or operation by the United States of the pipeline or of any of the works herein provided for.

733. DEA/10815-40

Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires de l'ambassade des États-Unis

Secretary of State for External Affairs
to Chargé d'Affaires, Embassy of United States

NOTE NO. D-180 Ottawa, June 30, 1953

CONFIDENTIAL

Sir,

I have the honour to acknowledge receipt of your Note No. 288 of June 30, 1953, proposing certain conditions which should govern the installation on Canadian territory of a section of an oil pipeline from Haines to Fairbanks, Alaska, passing through Northwestern British Columbia and the Yukon Territory, to be constructed, owned, and operated by the Government of the United States of America in the mutual defence interest of both countries.

I am pleased to inform you that my Government approves the United States proposal for constructing the pipeline on the terms and conditions annexed to your note, and the granting, for this purpose, of an easement for the pipeline through Canadian territory. To facilitate the carrying out of this proposal, the Government of British Columbia, by Order-in-Council No. 1071 of May 2, 1953 (copy of which is attached†), has made available by transfer to the Government of Canada the administration and control of the land required for the right-of-way of the pipeline through that Province. The Canadian Government, for its part, has approved, by Order-in-Council No. P.C. 1953/763 of May 13, 1953 (a copy of which is attached†), the transfer of administration and control of this land subject to the conditions stipulated by the Government of British Columbia, and at the same time has given the Government of British Columbia an undertaking, in a letter dated May 16, 1953 (a copy of which is attached†), to carry out a subsequent survey to comply with the Land Registry Act of British Columbia.

Accordingly, in agreeing to the conditions proposed in your Note, my Government stipulates that this agreement is governed by the conditions prescribed by the Government of British Columbia in Order-in-Council No. 1071 of May 2, 1953, with respect to the land required for the right-of-way through that Province, and that all obligations incurred by the Government of Canada towards the Government of British Columbia in accepting responsibility for the administration and control of the land in British Columbia shall be fulfilled by the United States Government as the user of the land, with the exception of that set forth in paragraph 7 of the British Columbia Order-in-Council. It is not at present apparent what financial responsibility may be assumed by the Government of Canada in making an exception regarding paragraph 7 of the British Columbia Order-in-Council, but, in the event that liability should be incurred, the Government of Canada would expect sympathetic consideration by the Government of the United States of any representations regarding reimbursement.

I propose that your Note No. 288 of June 30, 1953, this reply, and your note accepting the above stipulations with respect to the section of the pipeline passing through British Columbia, shall be considered by our Governments to constitute an agreement to be known as the "United States-Canada Haines-Fairbanks Pipeline Agreement" stipulating the conditions of the construction, ownership and operation by the United States of the section of the pipeline within Canada.

Accept, etc.

L.B. PEARSON

734. DEA/10815-40

Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires de l'ambassade des États-Unis

Secretary of State for External Affairs
to Chargé d'Affaires, Embassy of United States

CONFIDENTIAL Ottawa, June 30, 1953

Dear Mr. Bliss,

I have today sent you Note No. [180] regarding the Haines Pipeline project.

In sending this note on behalf of the Canadian Government, I do so on the understanding that the US Government will call for tenders in the near future and that construction in Canada will commence in 1953.

If for any reason, such as a suspension of the appropriation of funds for the project, the United States finds itself unable to commence construction in 1953, the Canadian Government reserves the right to cancel, on two months' notice, the agreement of which Note No. [180] forms a part. In that event, both Governments will of course be free to renew negotiations at any time and to enter into a new agreement on the same or other terms if they so desire.

Yours sincerely,

L.B. PEARSON

735. DEA/10815-40

Le chargé d'affaires de l'ambassade des États-Unis au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires, Embassy of United States, to Secretary of State for External Affairs

NOTE NO. 289 Ottawa, June 30, 1953

CONFIDENTIAL

Excellency:

I have the honor to refer to my Note No. 288 of June 30, 1953 and to your Note No. D-180 of June 30, 1953 in reply, concerning the proposal for the construction by the Government of the United States of America of an oil pipeline installation from Haines to Fairbanks, Alaska. I am pleased to inform you that my Government accepts the stipulations stated in your note with respect to the section of the right-of-way for the pipeline passing through British Columbia.

My Government further agrees with your proposal that my Note No. 288 of June 30, 1953, your reply of June 30, 1953, and this note, should be considered by our Governments to constitute an agreement to be known as the "United States-Canada Haines-Fairbanks Pipeline Agreement" covering the conditions of construction, ownership and operation by the United States of the section of the pipeline within Canada.

Accept, etc.

DON C. BLISS

736. DEA/10815-A-40

Note de la 1re Direction de liaison avec la Défense

Memorandum by Defence Liaison (1) Division

[Ottawa], September 9, 1953

Notes on a discussion between Mr. Wershof of DL(1) and Mr. Morgan of the US Embassy on the application of provincial and municipal taxes on the Haines-Fairbanks pipeline and on the status of the Exchange of Notes of August 6 and 9, 1943, regarding exemption from provincial and municipal taxation of US defence projects in Canada (CTS 1943/11)

Mr. Wershof first informed Mr. Morgan that the Special Commissioner for the Haines-Fairbanks pipeline had recently been in Victoria where he had met with representatives of the US Corps of Engineers and officers of the BC Government. It had developed at these meetings that there was a possibility that the BC government might attempt to apply the provisions of its sales tax on material, equipment and supplies to be used in constructing and maintaining the BC section of the Haines-Fairbanks pipeline. Mr. Wershof informed Mr. Morgan that the Special

Commissioner had reported this on his return to Ottawa and that officials of the Canadian Government were taking the matter under immediate consideration with a view to proposing to Ministers that representations be made to the BC Government that the sales tax should not apply to this joint defence project. Mr. Wershof then added that, if the US Government wishes to make representations on this point, he could see no objection to it doing so, but that the matter was being pursued in any case.

Mr. Wershof then stated that, by coincidence, a related matter was also currently under discussion between the State Department and the Department of External Affairs. This involved the question of whether the Exchange of Notes of August 6 and 9, 1943, regarding the exemption from provincial and municipal taxation of US defence projects in Canada (CTS 1943/11) was still in effect. He stated that, while in his judgement the Canadian Government would still consider, as it did in 1943, that the US Government itself cannot be effectively taxed by provincial or municipal authorities, the specific undertakings outlined in the 1943 Note were related to wartime defence projects and, since these projects had long since been completed, the Exchange of Notes was no longer in effect. He then went on to say that, while this matter and the question of the provincial taxation of the Haines-Fairbanks pipeline project were closely related, they should be dealt with quite separately. Officials of the Canadian Government would pursue the question of the BC tax irrespective of the progress of discussions with the State Department on the 1943 Exchange of Notes.

W.H. B[ARTON]

737. DEA/10815-A-40

Le sous-secrétaire d'État par intérim aux Affaires extérieures au conseiller de l'ambassade des États-Unis

Acting Under-Secretary of State for External Affairs to Counsellor, Embassy of United States

[Ottawa], January 28, 1954

Dear Mr. Mayer,

I am glad to be able to inform you that the British Columbia Government has informed the Canadian Government that,

"instructions have been given to the Commissioner of our Social Services Tax Act to exempt from taxation, materials, equipment and supplies which are to be used in connection with the Haines-Fairbanks Pipeline Project, and which are directly, or will as a result of contractual arrangements by that Government, become the property of the United States Government. The Commissioner has been advised that this exemption will remain in force and be applicable to such property in the

future as long as it is related strictly to the said pipeline project, and while the project is deemed to be a defence measure".

BENJAMIN ROGERS
for the Acting Under-Secretary of State
for External Affairs

SECTION K

STATIONS MÉTÉOROLOGIQUES DE L'ARCTIQUE
ARCTIC WEATHER STATIONS

738. DEA/2403-40

Note de la 1re Direction de liaison avec la Défense pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Defence Liaison (1) Division to Under-Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], April 8, 1953

WEATHER STATION AND RADIO RANGE AT PADLOPING, BAFFIN ISLAND

Attached for your information is a copy of a letter from the Deputy Minister of Transport, dated March 24, 1953, stating that the Department of Transport will be unable to undertake the operation of Padloping weather and radio station due to a shortage of staff.† Since the situation at Padloping is a very good example of Canadian failure to fulfil its responsibilities in the Arctic, I thought it advisable to give you a brief recapitulation of past history in connection with this station.

2. On January 28, 1947, Cabinet approved the taking over by Canada of weather stations which had been set up during the war by the United States in Northeastern Canada. The transfer was to be made on a progressive basis over a three year period, commencing in 1947. Among the stations listed for transfer in 1949-1950 was Padloping. The Journal of the October 1949 meeting of the PJBD states that unless sufficient Department of Transport personnel were available at an earlier date the combined meteorological and radio range station at Padloping would be taken over in the summer of 1951. This statement was noted specifically by Cabinet Defence Committee at a meeting held on November 23, 1949.

3. On June 16, 1951, the Deputy Minister of Transport wrote to this Department stating that it had been found impossible to recruit sufficient radio operators to man the Padloping Island station, and therefore, the Department of Transport would be unable to assume this commitment at least during 1951 and possibly not in 1952. He asked whether it would be possible to have the United States continue to man the station until the Department of Transport could take it over. Although some dismay was expressed within External Affairs at this situation, the Department of Transport request was passed on to Washington and the United States agreed to continue the operation of Padloping until Canada was in a position to take over.

4. The attached letter from the Deputy Minister of Transport suggests that the decision as to when Canada will take over Padloping is being given a further indefinite hoist. This raises the question of what action, if any, should be taken by this Department. It is suggested as a first step that you might wish to have the matter discussed at the next meeting of the Advisory Committee on Northern Development.[37] For your information, a copy of the letter from the Deputy Minister of Transport has already been referred to the Secretary of the Advisory Committee.

M.H. WERSHOF

739. PCO

Note du ministre des Ressources et du Développement économique pour le Cabinet

Memorandum from Minister of Resources and Development to Cabinet

CONFIDENTIAL Ottawa, May 15, 1953

RESUPPLY OF THE JOINT ARCTIC WEATHER STATIONS

1. On January 28, 1947 the Cabinet approved the establishment of nine joint Canada-United States Arctic weather stations — it being understood that Canada would provide the Officer-in-Charge, one half of the staff and permanent facilities; and the United States would bear all other costs, including transport. The Royal Canadian Air Force is responsible, with assistance of the United States Air Force when requested, for air supply; but the United States has, until now provided all sea transport.

2. The Advisory Committee on Northern Development has reported that the only Canadian government establishments which are not supplied by Canadian vessels are the joint arctic weather stations at Resolute, Eureka and Alert. The Department of Transport icebreaker d'Iberville is now in operation, and the RCN icebreaker HMCS LABRADOR is expected to be operational by the spring of 1954. It is considered necessary to employ two icebreakers together with a cargo vessel of approximately 3,000 tons capacity and a small tanker for the supply of these stations. (The joint stations at Mould Bay and Isachsen are supplied entirely by air lift from stores transported by sea to Resolute.) The United States has a large supply commitment each year to Thule in Greenland.

3. The Advisory Committee on Northern Development has recommended that:

(a) Canada undertake with the Department of Transport and the Royal Canadian Navy icebreakers and a chartered supply vessel of approximately 3,000 tons capacity and a tanker, the resupply of Resolute and Eureka in 1954 and subsequent years;

(b) For the time being the United States continue to be responsible for the sea supply of Alert as a projection of its commitment to Thule (see map†); and

[37] Note marginale:/Marginal note:
Yes. W[ilgress]

(c) The Department of Transport be authorised to include an item of $120,000 for the chartering of the cargo vessel and the tanker in the estimates for 1954 and subsequent years.

4. I concur in these recommendations.

ROBERT H. WINTERS

740. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], May 19, 1953

. . .

WEATHER STATIONS; PADLOPING ISLAND

38. *The Prime Minister* said the Minister of Resources and Development had submitted a recommendation from the Advisory Committee on Northern Development that the radio station at Padloping Island be taken over from US control.

An explanatory memorandum had been circulated.

(Minister's memorandum, May 15, 1953 — Cab. Doc. 126-53)†

39. *The Cabinet* approved the recommendation of the Advisory Committee on Northern Development, as submitted by the Minister of Resources and Development, and agreed:

(a) that the Royal Canadian Navy be authorized to take over the operation of Padloping Island radio station from the United States, as soon as practicable, for operation for an estimated period of two years until the Department of Transport was in a position to provide staff for its operation;

(b) that the costs of operation of the station, exclusive of pay and allowances of the staff, be assumed by the Department of Transport; and,

(c) that the Department of External Affairs inform the State Department of the United States of the decision.

JOINT ARCTIC WEATHER STATIONS; RESUPPLY

40. *The Prime Minister* said the Minister of Resources and Development had submitted a recommendation from the Advisory Committee on Northern Development concerning the resupply of weather stations at Resolute, Eureka and Alert.

An explanatory memorandum had been circulated.

(Minister's memorandum. May 15, 1953 and attached map — Cab. Doc. 128-53)

41. *The Cabinet* approved the recommendation of the Advisory Committee on Northern Development, as submitted by the Minister of Resources and Development and subject to approval by the Minister of Finance, agreed:

(a) that Canada undertake, with the Department of Transport and Navy icebreakers and a chartered supply vessel of approximately 3,000 tons capacity and a tanker, the supply of Arctic weather stations at Resolute and Eureka in 1954 and subsequent years;

(b) that for the time being the United States continue to be responsible for the sea supply of the station at Alert; and,

(c) the Department of Transport be authorized to include an item of $120,000 for the chartering of a cargo vessel and a tanker in the Estimates for 1954 and subsequent years.

. . .

SECTION L

BANDES D'ATTERRISSAGE DE L'ARCTIQUE
ARCTIC AIR STRIPS

741. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

SECRET [Ottawa], May 25, 1953

. . .

THE AMERICAS

EMERGENCY AIR STRIPS AT ALERT, EUREKA, AND THE RIVER CLYDE

2. *Defence Liaison (1)*: On April 28, 1953, in Note No. 230,† the United States Embassy requested permission for the United States Air Force to conduct surveys for the expansion of emergency air strips at Alert and Eureka and for the construction of a new air-strip at River Clyde. Approval was also sought for the construction and improvement of the air strips if the surveys proved the feasibility of the plan, and for the construction of necessary temporary housing and the stationing of five United States, or alternatively Canadian, personnel at each air strip.

In Note No. D-143 of May 19, 1953† this Department replied, granting permission for the site surveys subject to the usual conditions regarding Canadian participation but stating that the Canadian Government would prefer to defer consideration of the construction phase of the project until the surveys had been completed and information was available on the proposed sites.

. . .

SECTION M

LA STATION LORAN DE L'ÎLE DE BAFFIN
LORAN STATION, BAFFIN ISLAND

742. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

SECRET [Ottawa], June 1, 1953

. . .

THE AMERICAS

PROPOSED US LORAN STATION AT CAPE CHRISTIAN, BAFFIN ISLAND

6. *Defence Liaison (1)*: The US Government has asked for Canada's approval for the construction of a Loran Transmitting Station on Cape Christian, Baffin Island, an area which a joint US-Canadian expedition surveyed for this purpose last year. The proposed station will be one of several on Canada's east coast and is intended especially to aid in the air and sea traffic en route to the US base at Thule. The Canadian Government has given approval in principle. The written agreement confirming the arrangements for the tenure, use and construction plans of the stations has yet to be worked out.

The negotiations have been divided into these two phases in order to give the US authorities the opportunity to take advantage of the short period during the summer when ships are able to reach the site and construction work can be carried on. The US Coast Guard will be able this summer to ship building materials to the site, and make the initial preparations for the station. Since we expect to negotiate mutually satisfactory conditions for the tenure and use of the station during the next few months, the USA should then be able to proceed with the erection of the station in 1954.

. . .

5e PARTIE/PART 5

QUESTIONS ÉCONOMIQUES
ECONOMIC ISSUES

SECTION A

VOIE MARITIME DU SAINT-LAURENT
ST. LAWRENCE SEAWAY

743. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], January 7, 1953

. . .

ST. LAWRENCE PROJECT; PROPOSALS FOR US PARTICIPATION IN CONSTRUCTION OF SEAWAY

11. *The Prime Minister*, referring to discussion at the meeting of December 17th, 1952, said that, in his budget message to be delivered to Congress on January 9th, President Truman would include a strong recommendation to Congress for US participation in construction of the St. Lawrence Seaway. Furthermore, the new Republican chairmen of the principal congressional committees concerned with St. Lawrence matters had already announced that they intended to introduce legislation immediately covering a joint seaway or a joint seaway and power project. Senator Taft had also stated that he intended to do everything possible to have the St. Lawrence project approved by Congress early in the present session.

In the circumstances, it was thought that the present arrangements for the power project in the International Rapids Section could be jeopardized if the Canadian government failed to respond to the President's proposal which the US Ambassador to Canada had been instructed to bring officially to the attention of the Prime Minister during the next day or so and to similar proposals announced by congressional leaders of the new Administration.

It had, therefore, been suggested that following the US Ambassador's interview with the Prime Minister, Mr. Woodward might usefully be given a memorandum clearly setting forth the Canadian position in the matter.

A draft memorandum was circulated and read.

(Memorandum, Privy Council Office, Jan. 7th, 1952, Cab. Doc. 6-53)†

12. *The Secretary of State for External Affairs* suggested that the draft memorandum was possibly a shade too uncompromising in tone and urged that it should not offer any excuse for delay on the granting of a licence by the Federal Power Commission to the New York State Power Authority. This should be avoided at all costs. He suggested certain changes in the wording of the last paragraph including a

sentence to be added to the effect that the Canadian Government naturally expected that any discussion on US participation in the construction of the seaway would not be such as to cause undue delay in the construction of the seaway.

Furthermore, although it had been estimated that some $35 million might be saved if the seaway in the International Rapids Section were constructed in US rather than in Canadian territory, it would be advisable to comment more fully on the Canadian position for the benefit of the press and public here in order that Canadians not be left with the impression that the government was lightly abandoning the all-Canadian scheme which had gained strong support throughout the country.

13. *Mr. St-Laurent* agreed that the Canadian position could profitably be spelled out more fully for the benefit of the public. In this connection, it should be made quite clear that Canada had a perfectly sound scheme which had been approved by the Parliament of Canada and the Legislature of Ontario and that the government was, of course, prepared to carry out that plan as soon as all the preliminary arrangements had been completed and authorizations obtained, but that if before the plan could be undertaken the US wished to submit an alternative plan involving joint participation in the construction of the seaway (which incidentally might involve a saving of some $35 million) the government would naturally be prepared to discuss such a plan with the US authorities provided that such discussion did not cause any serious delay in the construction of either the power project or the seaway.

14. *Mr. Pearson* noted that the draft memorandum stated that the Canadian government would be prepared to discuss a joint scheme with the US government once an appropriate entity had been fully authorized and was able to construct the US share of the power development in the International Rapids Section. This would seem to imply that Canada did not contemplate entering into any such discussions until after possible court injunctions against the New York Power Authority had been lifted.

15. *Mr. St-Laurent* was of [the] opinion that Canada should agree to enter into such discussions once the New York Power Authority had been licensed by the Federal Power Commission and designated by the US Administration even though protracted court actions might prevent New York from undertaking actual construction. Canada's willingness to negotiate under such circumstances might possibly be helpful in hastening the removal of any such injunctions against New York.

16. *The Cabinet*, after further discussion, noted the Prime Minister's report on various proposals which had recently been made in the United States for joint development of the seaway in the International Rapids Section by both countries and agreed that, —

(a) following delivery to Congress on January 9th of President Truman's budget message, in which United States participation in construction of the seaway would again be urged, a memorandum be given to the US Ambassador in the following terms:

"President Truman's observation in his budget message to Congress that there is still an opportunity for the United States to join in building the St. Lawrence Sea-

way has been noted by the Canadian Government. Various other proposals by members of the Congress for United States participation in the St. Lawrence Seaway have also come to the attention of the Canadian Government.

"While the Canadian Government is of course prepared to discuss, in appropriate circumstances, joint participation in the Seaway, the demand for power in the area to be served by the International Rapids power development is so urgent that the Canadian Government is most reluctant to engage in any discussion which might delay the progress of the plan now under way for the development of power in the International Rapids Section of the St. Lawrence River at the earliest possible moment.

"Once an entity is designated and authorized to proceed with construction of the United States share of the power works, if the US Government wishes to put forward a specific proposal differing from that put forward by the Canadian Government for the construction of the seaway in the international section which proposal would not delay the development of power under arrangements agreed upon in the Exchange of Notes of June 30th, 1952 and approved on October 29th, 1952 by the International Joint Commission, the Canadian Government will be prepared to discuss such a proposal.

"The Canadian Government would naturally expect the discussion to be such as not to cause any serious delay in the completion of the whole seaway."[38]

and

(b) the memorandum to the US Ambassador be made public as soon as the President's budget message was made public together with an appropriate indication of the government's position regarding the all-Canadian seaway and any specific alternative that the US government might wish to suggest for joint development of the seaway in the St. Lawrence River.

[38] La note a été présentée à l'ambassadeur Woodward par le premier ministre Saint-Laurent le 8 janvier.
The memorandum was handed to Ambassador Woodward by Prime Minister St. Laurent on January 8.

744. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Divisions

RESTRICTED [Ottawa], January 26, 1953

. . .

THE UNITED STATES OF AMERICA
ST. LAWRENCE PROJECT

10. *Mr. Eberts.* Representative Dondero,[39] Chairman of the US House Public Works Committee, and Senator Wiley,[40] Chairman of the Senate Foreign Relations Committee in the present Congress, have now introduced almost identical bills in the House and Senate, which would provide for the establishment of a government-owned corporation in the United States to construct the international portion of the St. Lawrence Seaway between Lake Ontario and the head of Lake St. Francis. A number of other bills have also been introduced, many of which authorize proceeding according to the 1941 Agreement, but it is likely that the bills introduced by Messrs. Dondero and Wiley will be given precedence by the respective committees. Senator Wiley has also obtained the support of sixteen senators including Senator Taft[41] and other Republican leaders who appear as co-sponsors of the proposed legislation. Both bills, if passed by Congress, would carry implicit approval of the present arrangements for developing power in the International Rapids Section by "an appropriate agency in Canada" (the Hydro Electric Power Commission of Ontario) and "the State of New York, or an entity duly designated by it, or other licencee of the Federal Power Commission". Although this proposed legislation would appear to assist in completing the necessary arrangements for the development of power and thus make it possible to proceed with the seaway either jointly, as the bills suggest, or by Canada alone, we are unlikely to take any cognizance of it until, as our memorandum to the United States Ambassador on January 8 indicated, an entity has in fact been authorized to proceed with the United States share of the power works and a specific proposal has been put forward for joint construction of the seaway which would not delay the power works or seriously delay the completion of the whole project.

. . .

[39] G.A. Dondero, (représentant républicain du Michigan), président de la Commission des travaux publics de la Chambre des représentants.
Representative G.A. Dondero, (R.-Michigan), Chairman, House Public Works Committee.

[40] Alexander Wiley, (sénateur républicain du Wisconsin), président de la Commission des relations étrangères du Sénat.
Senator Alexander Wiley, (R.-Wisonsin), Chairman, Senate Foreign Relations Committee.

[41] Robert G. Taft, (sénateur républicain de l'Ohio), leader de la majorité au Sénat.
Senator Robert G. Taft, (R.-Ohio), Majority Leader, United States Senate.

745. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-230 Washington, January 29, 1953

CONFIDENTIAL

ST. LAWRENCE PROJECT: CONGRESSIONAL LEGISLATION

Dean Brown of the State Department told Ernest Côté today that the State Department would welcome any comments we had to make on the bill Senator Wiley introduced on January 23, being S.589.

2. One question Dean Brown said we might consider was whether the two St. Lawrence authorities, the Canadian and the American, could within their own powers satisfactorily construct and operate the seaway or whether a new international agreement might be needed before the seaway authorities could collaborate. The present bill S.589 has been drafted with a view to empowering the United States authority in advance to negotiate and conclude arrangements with Canadian seaway authority, obviating the necessity of a treaty and its ratification.

746. DEA/1268-D-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-160 Ottawa, January 29, 1953

CONFIDENTIAL

ST. LAWRENCE PROJECT: PROPOSALS IN CONGRESS FOR A JOINT SEAWAY

Reference: WA-92 of January 12.†

1. Mr. Pierce[42] suggested some time ago that the new proposals in Congress for US participation in the seaway should be examined with a view to deciding whether we should make known any response to them,[43] and some thought has been given to this matter here. It is felt that the response to President Truman's reference to US participation in his Budget Message, contained in the memorandum to the

---

[42] Sydney Pierce, ministre, ambassade aux États-Unis, ambassadeur au Brésil à partir d'octobre. Sydney Pierce, Minister, Embassy in United States; Ambassador in Brazil, (Oct.-).

[43] Note marginale:/Marginal note:
when & how?

US Ambassador here, dated January 9[44] (EX-37 of January 8†) which also refers to "various other proposals by members of the Congress", is sufficient comment for the present, and I think we should avoid specific comment on features of the relevant bills now before the Congress.

2. It is assumed that the Dondero and Wiley bills are the most likely to engage the attention of the Congress. Any questions on the Canadian attitude to these bills might, for the present, be answered by referring to the position taken in the memorandum mentioned above, i.e., we might comment that, in view of the urgent need for power, arrangements for which are now nearing completion, we would not be prepared to discuss any new proposals until those arrangements are completed but that we would then be prepared to discuss any reasonable proposal for US participation in the waterway which would not delay the power works or unduly delay the completion of the whole project.

3. We are, of course, particularly examining the implications of the Dondero and Wiley bills, the most satisfactory of which is the implied approval of the present arrangements for power (including a reference to New York), which might encourage the Federal Power Commission to proceed with its licencing function. There are, of course, a few points which may cause difficulty, such as the disparity in the cost of the work to be undertaken by each country, as envisaged in these bills. This would be accentuated in the public mind in Canada because of the work we have already done toward building the seaway, such as the construction of the Welland Canal, which is offset much less in the public mind than it is in fact by the work the US has undertaken in the regions of Detroit and Sault Ste. Marie.

4. A more delicate point at the present juncture (before FPC action is complete) is the relevance and status of Canada's commitments (regarding a Canadian waterway) in the Exchange of Notes of June 30, 1952, (a) not to require the power entities to rebuild the 14-foot waterway or pay compensation in lieu thereof, and (b) to contribute $15 million to the cost of dredging in the international section. It is to be hoped that doubt on these points will not enter into the thinking of those concerned with the FPC decision.

---

[44] Le document qui porte la date du 9 janvier est en fait celui qui est cité dans le document 743 qui fut présenté à l'ambassadeur des États-Unis le 8 janvier.
The document dated January 9 is in fact the one quoted in Document 743, handed to the United States Ambassador on January 8.

747. DEA/1268-D-40

Extrait du télégramme du secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Extract from Telegram from Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-210 Ottawa, February 7, 1953

CONFIDENTIAL

ST. LAWRENCE PROJECT

A memorandum was sent to the Minister informing him of the conversation which Mr. Pierce had with Danielian[45] earlier this week concerning the proposal of Senator Wiley and Representative Dondero to invite Mr. Chevrier and you to dine with them and other members of their committees informally, in order to have a frank discussion of the whole St. Lawrence problem in the near future. Mr. Chevrier was also informed orally through his Deputy Minister. In a second memorandum, the Minister was informed that you considered that the discussion proposed by Senator Wiley and Representative Dondero might be useful in providing a suitable opportunity to discuss an important issue directly with influential groups in Congress. Both memoranda suggested that the Minister might wish to discuss the proposal with Mr. Chevrier.

2. On the first memorandum Mr. Pearson has commented "I have (i.e. discussed the proposal with Mr. Chevrier) and he shows no enthusiasm for the proposed meeting. I agree with him." On the second memorandum Mr. Pearson has further commented "I *think* that direct contact, between Mr. Chevrier and Congress on this matter, even informally, might be misunderstood and exploited by Senator Wiley and others. Mr. Chevrier feels pretty strongly about this. Mr. Wrong can give the congressmen our views without a special visit *at this time* by Mr. Chevrier." . . .

---

[45] N.R. Danielian, vice-président exécutif, Association des Grands Lacs et du Saint-Laurent, jusqu'au 30 avril, et puis président.
N.R. Danielian, Executive Vice-President, Great Lakes-St. Lawrence Association until April 30, then President.

748. DEA/1268-D-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-260 Ottawa, February 13, 1953

CONFIDENTIAL

ST. LAWRENCE PROJECT

Reference: WA-230, EX-160 of January 29, EX-210 of February 7.

At a meeting of the interdepartmental group yesterday it was decided that we should not make any comments on the bills introduced by Senator Wiley and Representative Dondero on the grounds that anything we might suggest would be open to misinterpretation in several ways.

2. It might, for example, be considered improper for us to suggest changes in legislation before the Congress (we did not solicit and would not have welcomed such advice in respect to our own legislation). More important is the probability that the rejection or acceptance of any or all suggestions that we might make would prejudge the question as to whether or not we would arrange for United States participation in the seaway on the basis of the final form and content of the legislation as passed.

3. It would be advisable to support our position in refusing to comment by reference to the memorandum given to the United States Embassy here on January 9,[46] the text of which is contained in EX-37 of January 8.† This might be an opportune way of bringing that memorandum to the attention of the new administration.

4. It would, of course, be difficult for you to decline to dine with Senator Wiley and his colleagues. It had occurred to the committee that probably the best line to take with Wiley on such an occasion would be to point to the memorandum (which had Cabinet blessing) of January 9 and our dire need for hydro-electric power in Ontario. If and when the FPC designates an agency and a concrete proposal is made to build the seaway without delaying the power project, we would naturally, at that time, be prepared to discuss arrangements for US participation in the seaway.[47]

[46] La date exacte est le 8 janvier.
The correct date is January 8.

[47] Voir le document 659./See Document 659.

749. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

DESPATCH 370 Washington, February 18, 1953

CONFIDENTIAL

ST. LAWRENCE PROJECT

I called this afternoon on Mr. Phleger, the new Legal Adviser of the State Department, in order to acquaint him with present Canadian views on the means of developing power and navigation on the St. Lawrence River. I told Mr. Phleger, who comes from San Francisco, that I did not expect him to be very familiar with these matters. I found, however, that he had had a discussion within the last day with Mr. Hickerson who had been asked by Mr. Dulles to pass on to Mr. Phleger the reference to the St. Lawrence which was made by you at the end of your talk with Mr. Dulles here on February 15.

2. I need not repeat the review of the situation, which I gave to Mr. Phleger, beginning with the signature of the Treaty of 1932 and ending with references to the Wiley Bill recently introduced in Congress. My chief purpose was to impress on Mr. Phleger the great urgency which the Canadian Government attached to a start, as soon as possible, on the development of St. Lawrence power. I pointed out that all that was required in the way of action by the United States Government was for the Federal Power Commission to approve the application of the New York State Power Authority and for the President to endorse this decision. As to the navigation the requisite international approval had already been given by the International Joint Commission. The Canadian Government would be in a position to start construction of the Seaway from Montreal to Lake Erie once the arrangements for power had been completed.

3. I then mentioned the Wiley Bill and the readiness of the Canadian Government to look again at the question of US participation in the Seaway but only after the power development had been authorized. I said that we were not prepared to comment on the Wiley Bill itself. I considered that, in addition to action authorizing the power project by the Federal Power Commission, the Wiley Bill or another proposal should have been approved by the Congress or its prospective approval should be manifest before we would wish to reopen discussions on US participation in the Seaway.

4. Mr. Phleger listened intently, asking a number of questions in the course of my review. At the end, he summed up the situation as I had expounded it by saying "Time is of the essence". I remarked that it was very probable that the Prime Minister would be visiting Washington at the invitation of the President early in May, that I was sure the Prime Minister would wish to discuss the St. Lawrence Project with the President, and that I hoped that by that time the Federal Power Commis-

sion would have licensed the State of New York to develop the US share of the power and that the prospects of Congressional approval for the Wiley Bill or a similar measure would have become clear.

H.H. WRONG

750. DEA/1268-D-40

Le ministre des Transports
au secrétaire d'État aux Affaires extérieures

Minister of Transport
to Secretary of State for External Affairs

Ottawa, February 19, 1953

Dear Mike [Pearson],

Thank you very much for your letter of the 18th instant[48] enclosing a note dealing with that part of your conversation with Mr. Dulles having to do with the St. Lawrence Seaway which I have read with interest.

I am becoming each day more strongly in favour that we should maintain our position that the Seaway should be built entirely on Canadian soil. I should like to even go further and if there is to be more delays, then to give consideration to an immediate start on one of the three canals which will have to be built. If we were to do this, I think the Americans would move quickly on the power application.

Yours sincerely,

LIONEL CHEVRIER

751. DEA/1268-D-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-383 Ottawa, March 3, 1953

CONFIDENTIAL

ST. LAWRENCE PROJECT

Reports of President Eisenhower's press conference of February 25 indicate that the President has requested interested Government Departments and agencies to prepare reports for him on the St. Lawrence Project. Conversations which Mr.

[48] Non trouvée./Not located.

Mundell[49] had in Washington last week tend to confirm that this is so and Mundell was informed by Danielian that the President had asked for such reports to be submitted to him by this week.

2. In considering what further action we can take to draw the attention of the President to the Canadian position with respect to the St. Lawrence, it would be useful to know what the State Department is submitting to him in this regard. While it would be difficult for you to request this information officially, would you please see what you can do, as informally as possible, to obtain it?

752. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-557 Washington, March 3, 1953

CONFIDENTIAL

ST. LAWRENCE PROJECT

Reference: Your EX-383 of March 3.

Answering your enquiry in the above teletype, I believe the State Department in its report to the President supports the St. Lawrence project generally and the Wiley-Dondero approach specifically.

2. In considering our further action, you might want to consider a proposal Danielian made to us today, which at this stage we pass on to you without comment. It is that the Prime Minister should now write to the President along the lines of the Prime Minister's memorandum to the United States Ambassador of January 8.

3. Danielian reasons that the administration will have to take a position on the project very soon because the hearings on the Wiley Bill begin on the 23rd of this month and the administration will want to give a lead to the departments before the hearings open. Danielian hopes that the bill will be reported out of Senate Foreign Relations Committee by the middle of April. He says the situation in the committee is favourable and general sentiment running more strongly in favour of the seaway than ever. Nonetheless he feels that the issue will be very close, as it was last year, in both House and Senate. He admits that the issue will be decided primarily in terms of the conflicting United States domestic interests in power and seaway. However, if, as he expects, these interests are evenly balanced, he thinks a show of Canadian interest at this time may have an important influence. Hence he urges that the Prime Minister state to the President, as long before 23 March as possible, the Canadian need for power and our interest in the seaway.

---

[49] D.W. Mundell, avocat-conseil, ministère de la Justice.
D.W. Mundell, Senior Counsel, Department of Justice.

4. Danielian tells us his present aim is to push the Wiley Bill through the Senate as quickly as possible. He feels it should be at least out of committee before the FPC makes its decision. He hopes this action would influence the FPC in the right direction because it would give some flavour of congressional approval to the granting of a license by FPC to New York.

753. DEA/1268-D-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-396 Ottawa, March 5, 1953

CONFIDENTIAL. IMMEDIATE.

ST. LAWRENCE PROJECT

Reference: Your WA-557 of March 3.

We are of two minds about acting on Danielian's suggestion that the Prime Minister should write the President along the lines of his memorandum to the United States Ambassador of January 8. On the one hand we can see some force in the suggestion that the Canadian interest should be kept before the President and, although the State Department no doubt has done this, it might be more useful were it to be done directly as Danielian suggests. On the other hand, the Canadian position has been repeatedly made known to the United States and a new letter at this time might be regarded as an attempt to influence domestic politics. There is also something to be said for the Prime Minister reserving his ammunition for his visit to the President, although there is a possibility that in the case of the St. Lawrence, this might be too late.

2. A meeting of the Interdepartmental Committee on the St. Lawrence is scheduled for to-morrow and the question of a letter from the Prime Minister is likely to be under discussion. We should greatly appreciate your opinion as to the desirability of such a letter, or any other suggestions on tactics.

754. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-577 Washington, March 5, 1953

CONFIDENTIAL. IMMEDIATE.

ST. LAWRENCE PROJECT

Reference: Your EX-396 of March 5.

1. We also are in two minds about adopting Danielian's suggestion for the reasons you mention. It is certainly possible that the President is not fully aware of the urgency which we attach to getting on with the project. He is quoted as informing the press at his conference this morning, first that he has heard no objection to the development of power by New York and Ontario, and secondly that he still believes development of the seaway is bound to come if it is an economic necessity. He answered a further question by saying that no finalized recommendations had been presented to him on the power part of the project and he could not, therefore, say whether the administration would endorse or abandon it at this time.

2. We suggest that you might consider a method of reiterating our interest by the Prime Minister which might be an effective alternative to a letter from him to the President. If the Prime Minister were to make a statement in the House, perhaps in response to a question on the orders of the day on what progress was being achieved, we could request the State Department to bring this statement to the President's notice. I am dubious about the wisdom of resorting to direct communication between Mr. St. Laurent and President Eisenhower, for the first time since the latter's inauguration, on a subject which has been exhaustively discussed between the two governments and about which we have nothing new to say. I think that the channel of Prime Minister to President should be reserved for important matters on which some new initiative is desired. I also think that I could appropriately send Mr. Sherman Adams, under an informal letter, a copy of a statement in the House and ask him if he would be good enough to bring it to the President's attention, in addition to making sure that it was noted by the State Department.

755. DEA/1268-D-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], March 12, 1953

ST. LAWRENCE PROJECT

It has been announced that the US Senate Foreign Relations Committee will begin hearings on the St. Lawrence Development during the week of March 23. Press reports indicate that President Eisenhower has this matter under study now and we are informed that he has asked various agencies of his Government to brief him on it at this time. Several US Government departments are also preparing memoranda on the position they will take when called upon by the Senate Committee in the course of the hearings. The attitude of the new US Administration thus appears to be approaching a crystallization stage, but most of the expressions of views being put before President Eisenhower at this time necessarily relate to the various seaway bills now before Congress, the most important of which have little to do with the power aspect of the project.

In these circumstances, the St. Lawrence Committee considers that Canadian views on this matter, particularly in relation to the urgent need for the power development should be brought directly to the attention of the White House in a forceful manner. Two methods of doing so were discussed. One idea was to have a question asked in the House of Commons which could be replied to by the Prime Minister in a form suitable to bring to the attention of the White House through a letter, say, from Mr. Wrong to Mr. Sherman Adams; this, however, was considered to be somewhat unwieldy and lacking in force. Another suggestion, which the committee on the whole supported, was that the Prime Minister should address a letter to the President, bringing our views to his attention directly.

Action of this sort would undoubtedly be valuable from the domestic political point of view and it may well be of value in the United States. There are, however, two objections: first, it might be construed as suggesting that the President should use the authority of his office improperly (by urging a certain course of action on the Federal Power Commission); and secondly, it might "debase the currency" of this channel of communication.

The attached draft of such a letter has been worked out after discussion with various members of the St. Lawrence Committee.† You may wish to discuss with the Prime Minister and your other colleagues in the Cabinet whether a letter such as this should be sent to the President at this time.

L.D. W[ILGRESS]

756. DEA/1268-D-40

Note du sous-secrétaire d'État aux Affaires extérieures pour la Direction de l'Amérique

Memorandum from Under-Secretary of State for External Affairs to American Division

CONFIDENTIAL [Ottawa], March 16, 1953

ST. LAWRENCE PROJECT

With reference to the attached memorandum dated March 12 which we submitted to the Minister, he is of the view that we should not "debase the currency" of the channel of communication between the Prime Minister and the President by addressing the note on this subject to President Eisenhower. Mr. Pearson thinks that instead, it should be a note from the Canadian Ambassador to the Secretary of State or, alternatively, from the Secretary of State for External Affairs to the United States Embassy in Ottawa. Mr. Pearson sees another advantage in using the ordinary diplomatic channel, because in this case the note can be published whereas if the communication is one from the Prime Minister to the President it would not be possible to make public the text.

Accordingly, Mr. Pearson thinks the note we had drafted should be revised as one suitable for transmission through the usual diplomatic channel.[50]

L.D. W[ILGRESS]

757. DEA/1268-D-40

Le secrétaire d'État aux Affaires extérieures au secrétaire d'État des États-Unis

Secretary of State for External Affairs to Secretary of State of United States

Ottawa, March 20, 1953

Dear Mr. Dulles:

I should like to refer to our conversation in Washington on February 15 when, among other matters, I mentioned to you the St. Lawrence Project.

The completion of the power aspect of this project is becoming increasingly urgent. Hence, I am taking the liberty of putting these views to you again at a time

---

[50] Notre copie du document porte l'annotation suivante :
The following was written on this copy of the document:
Am. Div. [American Division],
1. Will you please proceed with a redraft.
2. Presumably Mr. Pickersgill should be informed about the Minister's views, and, if he thinks desirable, other Departments concerned, although this might be done when they were sent a copy of the note to the US. R.A. M[ackay]

when, I feel certain, the United States Administration will wish to consider all aspects of the St. Lawrence Project.

From the Canadian viewpoint, all other major sources of hydroelectric power available in the area to be served by the power project have already been developed or are in the process of development. Even if construction of the St. Lawrence power project were to begin this spring, the work would barely be completed in time to avert a serious shortage of low-cost power which is already developing and which is expected to become acute by 1957. If the power project is not undertaken soon, this area of Canada will face a serious impairment of its industrial capacity.

You are no doubt aware that in this area are located industrial plants comprising approximately one-half of Canada's total manufacturing capacity. Many critical materials supplying the defence industries of both Canada and the United States are produced there. In the case of nickel, for example, some idea of the importance of this source of power in Canada is indicated by the fact that 90% of the free world's supply of nickel comes from the area served by the southern system of the Hydro-Electric Power Commission of Ontario.

The development of the power potential of the St. Lawrence River is thus a matter of prime importance and urgency to Canada. If Canadian economic resources are to be adequately developed to meet civilian and defence needs, the Government of Canada must arrange for the construction of this power project without delay. The Government and people of Canada would, of course, very much like to see an immediate start made on the seaway. Indeed, all the necessary legislation has been enacted and all other prerequisite steps have been taken to enable the deep waterway to be constructed either by Canada alone or under mutually agreeable arrangements by both our Governments together. The immediate development of the power works, however, would in no way prejudice whatever arrangements may be mutually agreed upon for the development of the deep waterway.

I hope that this information may be of assistance to you. May I ask that you be good enough to bring this expression of the views of the Canadian Government to the attention of the President?

Yours sincerely,

[L.B. PEARSON]

758. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-730 Washington, March 23, 1953

CONFIDENTIAL

ST. LAWRENCE PROJECT

Reference: Your letter of March 20 from New York.

I handed to Mr. Dulles your letter emphasizing the urgent importance to Canada of the development of St. Lawrence power. I also gave him some background information about the status of the power development, emphasizing that all that was required for work to begin was the licensing of New York to undertake the United States share of the works. He made no comments of any significance.

759. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-735 Washington, March 24, 1953

CONFIDENTIAL

ST. LAWRENCE PROJECT

Reference: My WA-730 of March 23.

1. Andrew Foster,[51] of the State Department, to whom I sent a copy of your letter of March 20 to Mr. Dulles, has asked me whether there would be any objection to the inclusion of the text of this letter in the testimony to be offered by the State Department at the hearings by the Senate subcommittee under Senator Wiley. I told him that since the letter contained a restatement of the Canadian position and did not include any points not previously made public, he could proceed on the assumption that the letter could be so employed. I undertook, to notify him within 48 hours if this assumption was incorrect.

[51] Andrew B. Foster, sous-directeur, Bureau du Commonwealth britannique et des affaires de l'Europe du Nord, Département d'État des États-Unis.
Andrew B. Foster, Deputy Director, Office of British Commonwealth and Northern European Affairs, Department of State of United States.

2. He said that while it was probable that the hearings would not begin until April 13 there was still a possibility that they might start on March 30. Senator Wiley is dining with me tonight and I shall sound him out on his plans.

760. DEA/1268-D-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-524 Ottawa, March 26, 1953

CONFIDENTIAL

ST. LAWRENCE PROJECT

Reference: My telegram No. EX-521 of March 25, 1953.†

The interdepartmental committee dealing with the St. Lawrence Project was generally agreed that the letter which Mr. Pearson sent to Mr. Dulles on March 21 should *not* appear in the testimony which the State Department will be making to the sub-committee on the Wiley Bill. By allowing the recent Pearson-Dulles letter to become part of the State Department testimony so soon, Canada might be said to favour the Wiley Bill. Should the Wiley Bill become law, it might be argued then that Canada was morally obligated to build jointly with the USA because of the sentence in the Pearson letter that Canada was prepared to build the seaway alone or "under mutually agreeable arrangements by both our Governments together".

2. The line you might therefore take orally with Andrew Foster is that the use of Mr. Pearson's letter (which was written after the introduction of the Wiley Bill) in connection with Congress hearings on that Bill, might be misinterpreted as an undue intervention by Canada in the Congressional field. As Foster will appreciate, Mr. Pearson's letter is a restatement of the well-known Canadian attitude to the St. Lawrence Project. There could be no objection, of course, to the Administration using any data concerning Canada's attitude which has already been made public.

761. DEA/1268-D-40

Note de la Direction de l'Amérique pour le sous-secrétaire d'État adjoint aux Affaires extérieures[52]

Memorandum from American Division to Assistant Under-Secretary of State for External Affairs[52]

[Ottawa], March 27, 1953

ST. LAWRENCE SEAWAY PROJECT

I lunched today with Mr. N.R. Danielian who, as you know, is the Executive Vice-President of the Great Lakes-St. Lawrence Association.

2. Mr. Danielian had been to Toronto yesterday to invite Premier Frost and Hydro Chairman Robert Saunders to the second annual "Heartland" Conference in Washington, on April 30. Both accepted the invitation. Mr. Danielian had seen Mr. C.D. Howe and pressed him to be the guest speaker at the dinner that night, where Mr. Alben Barkley, former Vice-President of the United States, would preside, and Senator Taft would be present. Mr. Howe did not say whether he would attend but, according to Mr. Danielian, gave an assurance that someone would go. There is a probability that a number of Congressmen may attend and, indeed, as the Conference proposes to discuss Canada-United States problems, it would appear to be an excellent opportunity for some Minister like Mr. Howe to make some forthright declarations if the Government so desires.

3. On the St. Lawrence seaway question, Mr. Danielian told me that he thought if the examiner had completed his report, it would be presented formally to the FCC [FPC] and that most certainly at least one member would enter an objection to the report, whatever the nature of it was. This, of course, would mean that the FCC would have to have a formal hearing of arguments again before it could come to a decision, which would not be before sometime in June. Under these circumstances, it appeared to Mr. Danielian that if the Prime Minister could sufficiently influence the President to get a commitment in favour of the Power Project, there would seemingly be no difficulty in getting then either a Chairman who would be in favour of the Project or replace one of the "opposition" members on the Commission by a favourable one when the former's term of office ends in June.

E.A. CÔTÉ

---

[52] Note marginale:/Marginal Note:
Mr. Wilgress. Noted W[ilgress]

762. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-781 Washington, March 30, 1953

CONFIDENTIAL

ST. LAWRENCE PROJECT

Reference: My WA-730 of March 23rd.
Repeat Candel No. 25.

Following for Mr. Pearson, Begins: Mr. Dulles has just given me an oral reply to your letter to him of March 20th emphasizing the urgency of starting construction on the power development. He said he did not wish at this time to reply in writing because consideration of New York's application by the FPC was still going on and he thought that it would be open to objection if in a letter to another government he took a position on the case.

2. He went on to say that matters were moving in the right direction from the Canadian point of view. The administration favours the early issue of a license to the state of New York, and he hopes and thinks it likely that the FPC will soon approve. Should the FPC fail to act, the administration is considering an attempt to push special legislation through Congress which would name New York as the United States entity.

3. This is good so far as it goes. I did not take up with Mr. Dulles, who is quite unfamiliar with the details, the delays of the FPC examiner in reporting to the Commission, which were described in my WA-767 of March 27th.† We shall try to get information from other sources on whether the Commission has informally told [sic] of the administration's support of the New York application. Ends.

763. DEA/1268-D-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 139 New York, April 1, 1953

CONFIDENTIAL

ST. LAWRENCE PROJECT

Reference: Your telegram No. 25, March 30.[53]
Address Washington No. 92.

Following for Wrong from the Minister, Begins: I am glad that Mr. Dulles has replied orally to my letter of March 20, though the delays in this matter remain irritating. They may be "moving in the right direction" but the motion is slow. Did Dulles tell you whether he had shown my letter to the President or not? We are exploring in Ottawa the possibility of a direct approach to Governor Dewey in the hope that he may be able to expedite the hearings before the FPC. Ends.

764. DEA/1268-D-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELEGRAM WA-803 Washington, April 1, 1953

CONFIDENTIAL

ST. LAWRENCE PROJECT

Reference: Your teletype EX-544 of March 30.†
Repeat Candel for Mr. Pearson as No. 30.

As of late yesterday afternoon your letter of the 20th March to Mr. Dulles had not yet been shown to President Eisenhower.

2. Andrew Foster, Deputy Director of the office of British Commonwealth Affairs, of whom I enquired about this matter yesterday, reported that he himself had prepared a memorandum for the Secretary of State to send to the President in transmitting your letter. Later in the afternoon, however, he telephoned me to say that he had ascertained that the letter had not yet been passed on to the White House. However he was sure that it had only been temporarily sidetracked. He said that he would follow up the matter to make sure that it reached the President. In speaking

[53] Le document 762./Document 762.

to the Secretary's office he had pointed out that the letter included a specific request that it should be brought to the President's attention.

3. You may have seen press reports of what apparently was decided at a conference on Monday between the President and Republican Congressional leaders as to what attitude the administration would take during the hearings on Senator Wiley's and other bills. Senator Taft told the press after the meeting that the hearings would go forward without a recommendation from the White House. In yesterday's "Legislative Daily" issued by the United States Chamber of Commerce Senator Taft is reported as having said that no final determination of policy, "if any", on the St. Lawrence Seaway and Power Projects would be made by the administration until after the Senate Foreign Relations Committee completed these hearings. The hearings, by the way, are now scheduled to begin on the 14th April instead of on the 15th April as we reported in our teletype No. WA-767 of the 27th March.†

765. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-805 Washington, April 1, 1953

CONFIDENTIAL

ST. LAWRENCE PROJECT: LETTER TO MR. DULLES OF MARCH 20

Reference: WA-803 of April 1st.

1. Foster, of the State Department, has now confirmed that this letter has been forwarded to the President. It was sent to the White House this afternoon with a covering memorandum prepared in the State Department and signed by Mr. Dulles.

2. I have given Mr. Burling, our local counsel in the FPC proceedings, a verbal account of recent developments and I am sending him for his confidential information a copy of Mr. Pearson's letter. He was glad to learn that the administration's views, as given to me verbally by Mr. Dulles, were being informally transmitted to the FPC. He tells me that Goetz, the New York counsel, hopes that Governor Dewey will communicate soon with the President in the hope that the President will take some direct action to expedite the decision of the FPC on the New York application.

766. **DEA/1268-D-40**

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures[54]

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs[54]

CONFIDENTIAL [Ottawa], April 4, 1953

ST. LAWRENCE PROJECT: YOUR LETTER DATED MARCH 20 TO MR. DULLES

Attached is a copy of telegram WA-805[55] of April 1 from Washington, which contains the information that your letter to Mr. Dulles has been forwarded to the President with a covering memorandum signed by Mr. Dulles. It would thus appear that the greatest possible use has now been made of this representation.[56]

I have spoken to Mr. Chevrier, who feels that it would not be wise for him to approach Mr. Dewey at this time.[57] Our information is that the Counsel for the New York State Power Authority has already discussed with the Chief Examiner of the Federal Power Commission various possibilities for expediting the report of Examiner Law. Although this effort has not been successful in hastening Law's report — he is also the Examiner in the Northwest Natural Gas hearing — our Counsel in Washington, after discussions with various officials concerned, considers that any further representations to the FPC might only antagonize the Commission or its officials. (You will recall that Acting Chairman Buchanan voiced a mild protest to the State Department as a result of Mr. Chevrier's recent speech in Port Arthur.)

It is unlikely that the Examiner will make his report before the Northwest Natural Gas hearing is concluded, i.e. until about a month from now. Once the Examiner's report is put to the Federal Power Commission, any party to the hearings may take exception to it within the next twenty days. The likelihood is also, I understand, that a member of the Commission itself may enter an objection. In either case, formal hearings will require to be held before the Federal Power Commission itself. One estimate has it that such hearings would not be ended in June. At that

---

[54] Notre copie du document porte l'annotation suivante à propos des 5 notes marginales rédigées par L.B. Pearson:
The following was written on this copy of the document, referring to the following 5 marginal notes which were written by L.B. Pearson:
American Division to note Minister's comments. They have been superseded by Mr. Howe's speech. W[ilgress]
Pour le discours, voir:
For the speech, see: C.D. Howe, "Canada's Economic Future", New York, April 7, 1953. Department of External Affairs, *Statements and Speeches*, 1953-54, 53/15.

[55] Pour le texte du télégramme, voir le document précédent; pour la lettre, voir les documents 755, 756.
For the telegram, see the previous document; for the letter, see Documents 755, 756.

[56] Note marginale:/Marginal note:
Mr. Côté: It seems the Cabinet is at one with Canadian sentiments.

[57] Note marginale:/Marginal note:
Have the Ontario Hydro people done anything with New York State to speed things up?

time the question will arise of replacing at least one of the members of the Commission who is opposed to designating New York as the entity. There will later be the question of replacing another member (favourable to the Project) who reaches his retirement age in September. These two changes, with the appointment of the Chairman of the Commission are within the jurisdiction of the Executive Branch of the United States subject to the approval by the Senate.

Unless the Administration is able to persuade the Commission that the New York State application ought to be granted without dissent and unless other interested parties such as Spalinsky do not object, I do not see an early decision in the matter.

Because the FPC *decision* lies with a semi-judicial United States body and because it is, at this juncture, a matter affecting the rights of United States citizens in the United States, it seems to me that the Canadian Government ought not to intervene further than it has, but it should base its plans on the assumption that no favourable decision is likely to emerge from the FPC until the summer or autumn of 1953.[58] If a favourable decision emerges before then, so much the better.

In the meantime, Canadian efforts should perhaps be directed toward keeping the attention of the Administration focussed on the urgent need Canada has for the power project.[59] This might be done by Canadian channels on all appropriate occasions. For instance, when the Prime Minister meets the President, he will undoubtedly discuss the matter. When Mr. Lawson, Consul-General in New York, officially meets Governor Dewey early in May, he might put to him the Canadian case. Likewise, should an appropriate occasion present itself, Mr. Wrong ought to bring this matter to the attention of Senator Taft. In addition, Mr. Saunders, of the Hydro-Electric, or the Province of Ontario itself, might find means of making its views known to the State of New York and of ascertaining what Governor Dewey proposes to do.

Mr. Chevrier has accepted an invitation to attend the annual meeting of the Great Lakes-St. Lawrence Association in Washington on April 30 and will be, I understand, the main speaker at the closing dinner. Premier Frost and Mr. Saunders will also attend and newspaper reports indicate that Senators Wiley and Taft, former Vice-President Barkley and Chairman Burton of the New York State Power Authority will also be there. This meeting is obviously an exercise in support of the Wiley Bill and, as a result, Mr. Chevrier may find himself in embarrassing positions at times.

I am somewhat apprehensive lest the Canadian Government associate itself too closely with the Wiley lobby interests. However, having been committed to speak-

---

[58] Note marginale:/Marginal note:
It would be very hard to justify this position to Can [adian] public opinion.

[59] Note marginale:/Marginal note:
So far efforts to do this have had *no* effect whatever.

ing to such a group, Mr. Chevrier will undoubtedly be his usual adroit self.[60] The American Division is collaborating with his Secretary on the address.

L.D. W[ILGRESS]

767. DEA/1268-D-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-752 Ottawa, April 30, 1953

IMMEDIATE

Following is the text of the Department of Transport press release on Mr. Chevrier's speech to the Heartland Conference this evening. Text begins:

Press Release #422

For Release April 30/53 9.00 p.m. (EDT)

WASHINGTON — Canada's Minister of Transport, Honourable Lionel Chevrier, tonight offered a solution to the current delays in permitting the construction of the St. Lawrence Seaway by suggesting that "if it is felt that United States' interests would be safeguarded by the construction of a canal on your side of the International Section, why not go ahead and build and let us do likewise on our side?" He pointed out that while this might appear foolish at this time "we have done this at the Sault where there are two canals, one on each side of the boundary line, and both are pretty fully used. I am confident this would soon become true here too."

Mr. Chevrier made this suggestion tonight when addressing the Second Heartland Conference, sponsored by the Great Lakes-St. Lawrence Association. This dinner meeting was attended by Senator Taft, former Vice-President Barkley, and many Senators and Congressmen, who with others have been following the proceedings of the Conference.

Canada's Minister of Transport emphasized the fact that "for well over 200 years Canada has been actively interested in and exclusively responsible for the progressive development which has taken place in the St. Lawrence River from the Gulf to Lake Erie." He pointed out that "the bottleneck in the Seaway — 14 foot navigation in the International Rapids Section — would have been removed long since had your country extended the necessary co-operation."

Emphasizing that Canada was not asking for any funds from the United States to build the Seaway, Mr. Chevrier said: "Canada is not seeking financial aid on the St. Lawrence Seaway. On the contrary Canada is ready, willing and anxious to proceed with the Seaway at her own expense without cost to the American taxpayer. Can-

[60] Note marginale:/Marginal note:
Mr. Chevrier is almost *sure* to speak out very frankly — and what he says will be more pleasant to Canadian than American ears. L.B. P[earson]

ada has passed legislation, both provincially and federally, and could start the project tomorrow." He added that all that was required was "the granting of a licence by the Federal Power Commission and the naming of an entity by the American Government, in accordance with their undertaking, to join with the Canadian entity in the development of power." The Ontario Hydro Electric Power Commission would develop the power jointly with the American entity and the Federal Government at Ottawa would build the navigational facilities.

"If it is felt that the Seaway is an uneconomical investment for the United States, and since more than 1,000 miles of the St. Lawrence is wholly within Canadian territory, this appears to me to be a good case for encouraging independent action by Canada," said the Minister. He added that "we are co-operating with the United States in the defence of this Continent. It is incomprehensible to us why the same effective co-operation is not forthcoming with respect to the Seaway, a project that has been declared by the Permanent Joint Defence Board — a United States and Canadian body — to be urgent from the point of view of national defence."

Up until this moment "the United States has assumed almost complete responsibility for through navigation facilities from Lake Erie to the head of the Lakes," said the Minister. On the other hand, the St. Lawrence Seaway from Lake Erie to the sea has been improved and maintained by Canada from time immemorial "with every important betterment being carried out and paid for by Canada at a cost of around $300,000,000." Saying that Canada proposes to pay on a self-liquidating basis for improvements in the International Rapids Section, he asked, "why should your country withhold co-operation and thus delay completion of this vital Canadian transportation outlet?"

The Minister predicted that while certain interests may be powerful enough to stop the Seaway for a time, "in the long run common sense must prevail." He urged that common sense should prevail now "not in a year's time or two years' time, but now because each and every day Canada is being hampered in her efforts to expand her economy and to grow to greater strength."

Outlining Canada's "gathering strength and great strides forward in wealth and power", Mr. Chevrier dealt with some of the country's resources. He pointed out that "overnight, Canada has made good her two most serious deficiencies as an industrial power — oil and iron." He also referred to the fact that "in this atomic age the production of uranium is of the greatest importance to a nation" and that deposits which were being uncovered in Canada are "among the most important in the world." He also referred to expansion of aluminum production and development of new deposits of copper and zinc.

"The development of these resources and the accompanying industrial expansion required ever increasing amounts of hydro-electric power", he said. Quebec-Labrador iron provided the final and convincing reason why the building of the St. Lawrence Seaway without further delay is necessary to provide transportation for our expanding commerce." He added that "these developments will unquestionably assist the industrial growth of the United States."

Taking the view that the rapid economic progress of Canada should be in the best interest of the United States, Canada's Minister of Transport said that "taking

the long view, this would tend to make Canada a more important ally, increasing continually in strength and standing shoulder to shoulder with the United States in the interests of human liberty which we both hold so dear."[61]

768. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], May 18, 1953

. . .

INTERNATIONAL RAPIDS POWER DEVELOPMENT ACT; COMING INTO FORCE

18. *The Minister of Transport* reported that the examiner of the US Federal Power Commission had, on May 12th, filed his decision ordering the issuance of a fifty-year licence to the New York State Power Authority for the development of the US share of power in the International Rapids Section of the St. Lawrence River. There was a possibility that the Federal Power Commission might make this Order final on or about June 11th.

In the circumstances, he recommended that a proclamation be issued bringing the International Rapids Power Development Act into effect on May 20th, 1953. It would then be possible for the Ontario Hydro-Electric Power Commission to proceed with its share of the project as soon as final action had been taken by the Federal Power Commission on the US share.

19. *The Cabinet* agreed that a proclamation be issued bringing the International Rapids Power Development Act into force on May 20th, 1953; an Order-in-Council to be passed accordingly.

(Order-in-Council P.C. 1953-810, May 18)†

. . .

[61] Voir le document 662./See Document 662.

769. DEA/1268-D-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-879 Ottawa, May 19, 1953

CONFIDENTIAL. IMPORTANT.

ST. LAWRENCE PROJECT

1. It was decided in Cabinet yesterday and an Order-in-Council was passed accordingly, to proclaim the International Rapids Power Development Act (ch. 13 of the Statutes of 1951, Commons, 2nd session), and this act will be proclaimed tomorrow, May 20. As you know, this act and the St. Lawrence Seaway Authority Act (ch. 24 of the Statutes of 1951, Commons, 2nd Session) comes into effect only upon proclamation, although both have been assented to and both are on the statute books.

2. No action in this respect has been taken with regard to the St. Lawrence Seaway Authority Act and there are reasons both for and against proclaiming it in the near future. One of the reasons influencing the timing of the proclamation of the Seaway Act is, of course, the effect this might have in the US. In this regard, your present views would be appreciated.

3. With regard to the designation of the US entity to construct the power works, it is our understanding that no formal designation is legally required in addition to the issuance of a licence by the Federal Power Commission. However, it might be helpful to have a formal designation by the President as soon as the Federal Power Commission action in issuing the licence is complete, particularly if the designation could be given added authority by a renewed reference to the "determination" of the National Security Council announced on April 23.[62] The designation by Canada of the Hydro-Electric Power Commission of Ontario was made by a letter addressed to the International Joint Commission and signed by the Prime Minister. A similar designation by the United States Government would be welcome here.

---

[62] Le Conseil national de sécurité recommanda que le projet de la Voie maritime du Saint-Laurent fût réalisé pour des raisons de sécurité nationale.
The National Security Council recommended that the St. Lawrence project be constructed for national security reasons.

770. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1268 Washington, May 22, 1953

CONFIDENTIAL

ST. LAWRENCE PROJECT

Reference: Your EX-879 of May 19th.

We think you can decide when to proclaim the Seaway Authority Act solely in the light of domestic Canadian considerations. The proclamation will likely have no effect on general public opinion here and but little on the men here who are dealing with the project. Nor is any further evidence needed that Canada is determined to proceed: The Prime Minister and the Minister of Transport made that clear during their recent visits to Washington. If we were to choose a date we would be inclined to have the act proclaimed shortly after the FPC has confirmed the trial examiner's decision.

2. With regard to the designation of the United States entity we have enquired quietly from the State Department what their thinking is. If you agree we shall let this question rest until we hear from them. In general our view is that unless designation is a legal requirement or unless it would prove useful in Canada, we would not be inclined to press for it since the support of the administration has been made quite clear by the President's own actions and by the testimony of administration officials during the hearings this week on the Wiley Bill.

771. DEA/1268-D-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, June 25, 1953

ST. LAWRENCE PROJECT: FEDERAL POWER COMMISSION'S PROCEEDINGS

The present status of the Federal Power Commission's proceeding on the St. Lawrence project is one in which the full Commission is in the process of reaching a final determination on the applications before it for a licence to develop the United States share of the St. Lawrence River power. The Commission's Examiner has recommended a decision to grant a licence to the New York State Power Authority and the Commission has completed hearing oral argument by parties to the proceedings who requested that the Examiner's decision be reversed or modified.

While the Commission is expected to arrive at its own determination at any time, (now that all arguments have been put before it), the situation is analogous to one in which a matter is sub judice and a court is about to announce its decision.

In these circumstances, Mr. Wrong has recommended, after consulting all friendly counsel in Washington, that we should try to avoid any public expressions of impatience and any indications that we are urging hasty consideration of, or any particular decision on, the matters which are before the Commission for determination. It is the Ambassador's view that any such expressions would accomplish nothing and might do harm by arousing personal antagonism within the Commission. It was suggested that, if the matter must be referred to publicly, — as, indeed, is likely, — it would be best to refer to the President's assurance to the Prime Minister, during the meeting last month, that everything was being done to facilitate an early decision and to the fact that the Commission had made arrangements to expedite consideration of the matter by the Examiner who recommended his decision to the Commission on May 12. The statutory requirements of the Federal Power Act in the United States make it necessary for the Federal Power Commission to follow certain procedures. In view of the fact that there are a variety of interests in the United States which have strong views as to whether the power should be developed by Federal, State, or private agencies, and as to the conditions under which the power should be developed and distributed, it is important that whatever licence is granted by the Commission should be based on a firm legal foundation so that any subsequent challenge in the courts will not upset the authorization.

The complete judicial process provided by the Federal Power Act is fully set out in the memorandum annexed to letter No. 1074 dated May 26, 1953, from Washington, a copy of which is attached.† (The time-table set out in this memorandum was based on the assumption that the oral argument on exceptions heard by the Commission on June 15 would have been omitted; as a result all dates are about two weeks ahead of those now expected.) As the Commission has given the fullest possible consideration to the matter, however, it will be in a better position to deny any petition for re-hearing of the case and subsequent litigation in the courts will also be less likely to upset or modify the Commission's decision.

These are the advantages to be derived from the manner in which the Commission has been dealing with the case and, on the other hand, there is nothing to indicate that the Commission has been "stalling" or that those dealing with the matter in the United States have not been doing everything possible to "deliver" on the assurances of cooperation that have been given.

It is, of course, possible that the validity of the decision of the Commission will be litigated in the Court of Appeals and even carried to the Supreme Court, but this is a matter for the opponents of the power development to decide and they will

always have, under the Federal Power Act, the statutory right to carry the case as far as they choose.[63]

L.D. W[ILGRESS]

772. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], July 6, 1953

. . .

ST. LAWRENCE POWER PROJECT: RECENT DEVELOPMENTS

17. *The Minister of Transport*, referring to the discussion at the meeting of May 18th, reported that, although the Examiner of the Federal Power Commission had, on May 12th, 1953, filed his decision ordering that a licence be issued to the New York State Power Authority for the development of power in the International Rapids Section of the St. Lawrence River, this Order had not yet been made final by the Commission. There were indications, however, that the Federal Power Commission might give final approval to this Order some time during the week of July 13th,[64] despite the writ of prohibition filed with the US Court of Appeals by the President of the Public Power and Water Corporation of Trenton, New Jersey, to prevent the Federal Power Commission from handing down a decision in favour of New York State. It was thought that the US Court of Appeals would dismiss this motion within a matter of days.

Canadian officials, in consultation with the Chairman of the Canadian Section of the International Joint Commission, and the Chairman of the Ontario Hydro-Electric Power Commission, had suggested that the St. Lawrence River Joint Board of Engineers to be appointed by the Canadian and US governments under the terms of the October 29th, 1952, Order of Approval issued by the IJC, should be established as soon as possible after the US Federal Power Commission had taken final action on New York's application, that the Board consist of three Canadian and three US members, that the terms of reference for the Board follow substantially the wording of the appropriate clauses in the IJC Order of October 29th, 1952, and that the Board be authorized to give final approval to plans, specifications and programmes of construction without reference to their respective governments. It should be provided, however, that the Board would keep both governments currently informed as to the progress of the work and that, in case of disagreement within the Board, the

[63] Note marginale:/Marginal note:
This is *somewhat* reassuring until you read the last para[graph] which is alarming! L.B. P[earson]

[64] Ceci fut fait le 10 juillet 1953.
This was done on July 10, 1953.

points in contention would be referred to the respective governments for instructions.

He recommended approval of these proposals.

It was understood that the IJC also planned to appoint the International St. Lawrence River Board of Control as soon as possible after the New York State Power Authority obtained a licence from the Federal Power Commission. This Board would also probably consist of six members — the Canadian members comprising a Federal representative and nominees of the Ontario Hydro-Electric Power Commission and the Quebec Hydro-Electric Power Commission.

An explanatory note had been circulated.

(Minister's memorandum, July 3, 1953 — Cab. Doc. 149-53)†

18. *The Cabinet:*

(a) noted the report by the Minister of Transport on recent developments relating to the St. Lawrence power project; and,

(b) approved in principle the Minister's recommendation on the composition and terms of reference of the St. Lawrence River Joint Board of Engineers to be appointed in accordance with the Order of Approval issued by the International Joint Commission on October 29th, 1952, and agreed that the Board should be appointed as soon as possible after the US Federal Power Commission had issued a licence to the New York State Power Authority for the development of the US share of power in the International Rapids Section of the St. Lawrence River.

. . .

773. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], July 17, 1953

. . .

ST. LAWRENCE RIVER DEVELOPMENT: BOARD OF ENGINEERS

10. *The Minister of Transport*, referring to the discussion at the meeting of July 6th, said the United States had not as yet reached definite views concerning the size thought desirable for the Board of Engineers for the St. Lawrence project. Once agreement had been reached on this point and on the terms of reference for the Board, it was desirable that action with regard to the Canadian appointments should take place at once.

11. *The Cabinet* noted the report of the Minister of Transport and agreed:

(a) that if the United States government agreed that the Board of Engineers for the St. Lawrence River development should consist of three representatives from each country, immediate action be taken to have an Order-in-Council passed to appoint the following persons for Canada:

Carl West, Esq., (Chairman)
M.V. Sauer, Esq.,
Emile St-Laurent, Esq.;

and,

(b) that if the United States favoured two representatives on the Board from each country, immediate action be taken for the appointment of such two of the above three persons as might be designated by the Minister of Transport.

R.G. ROBERTSON

774. DEA/1268-D-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELEGRAM WA-2251 Washington, October 5, 1953

CONFIDENTIAL

ST. LAWRENCE PROJECT

Following for the Minister, Begins: Today I had lunch with the Attorney General and all his principal assistants, including Lee Rankin, Assistant Attorney General (Executive Adjudications Division) who, it developed, was fully familiar with many of the legal phases of this problem. The luncheon was entirely informal and exceedingly friendly. In view of LePan's report of discussions in Ottawa on Friday, I felt that I should take the opportunity of mentioning our anxieties concerning legal delays.[65]

2. Brownell suggested that I have a talk with Rankin after lunch, and this I did. I told Rankin that, after taking legal advice here, we were contemplating an earnest request to the United States Administration to co-operate with us by taking every opportunity of expediting the legal proceedings. Although I did not go into detail, he was very quick to appreciate our anxieties and the reasons why we felt it appropriate to approach the United States authorities.

3. Rankin then went on to tell me something quite new. The White House were worried about the President's constitutional authority to participate in the appointment of a board of engineers. The only legislation under which this could be done

[65] Le 4 septembre 1953, la Federal Power Commission rejeta des requêtes qui arguaient qu'elle devait revenir sur sa décision d'émettre un permis à la New York State Power Authority d'exploiter les ressources hydroélectriques de la section des rapides internationaux du Saint-Laurent. Les adversaires américains du projet contestaient cependant cette décision devant les tribunaux. On craignait que ceci entraînerait des retards considérables dans la réalisation du projet.
September 4, 1953 the Federal Power Commission denied petitions to reopen the decision to issue a licence to the New York State Power Authority to develop power in the International Rapids Section of the St. Lawrence River. American opponents of the project, however, were challenging the decision in court. This action, it was feared, would considerably delay construction of the project.

seemed at first sight to Rankin to be pretty flimsy. He knew that the White House themselves were anxious to have an affirmative answer. The Justice Department would give such an opinion if they conscientiously could after an examination of the constitutional position. Pending their conclusion on this matter, Rankin thought that it would be a mistake for us to make representations for speeding up the legal proceedings.

4. I am satisfied that we would have no hope of making progress with such representations until Justice have given their opinion to the President. For this reason and, since Rankin himself invited me to do so, I am sending him, privately and informally, the suggestions of our own counsel for the reducing of the legal delays. Until I have heard from him, I would recommend that the proposal for fresh representations to the State Department be held in abeyance.

5. Needless to say, I impressed upon Rankin the dismay with which Canadian authorities would receive word of any new legal impediment to executive action at this belated stage. I am satisfied that he was fully conscious of our feelings. When Mr. Howe is here on Thursday, he and I will be seeing Brownell and we may have an opportunity of making this point again. Ends.

775. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2264 Washington, October 6, 1953

CONFIDENTIAL. IMMEDIATE.

ST. LAWRENCE PROJECT

Reference: Our telegram No. WA-2251 of the 5 of October.

This morning I met with Burling and Fisher and discussed thoroughly with them the new situation created by the information I received yesterday at the Department of Justice. They were both less disturbed by it than I had expected and strongly recommended that we should go ahead and make high-level representations to the State Department in an effort to expedite the legal proceedings.

2. Burling had been in touch with Burton and Goetz of the New York state power authority and, as a result of these conversations, was convinced that such new legal difficulties as had arisen related not to the President's competence to appoint some authority on the United States side to supervise construction of the Hydro-Electric installations, but rather to the question of where, under existing legislation, such supervisory powers should lie. For example, it might be claimed that these duties should be exercised by the Federal Power Commission.

3. If Burling's interpretation proves correct, the difficulty should be surmounted with comparative ease. I had been afraid that it might have arisen from a more

fundamental doubt on the part of the new administration whether it would be possible to conclude an agreement with Canada in this form, bearing in mind the strong current of opinion in Congress (which has found expression in the widespread support of the Bricker amendment) that the power of the executive branch to conclude international agreements has grown to excess and must be curtailed. In view of what Rankin said to me yesterday I confess that my own uneasiness has not been removed.

4. Fisher also pointed out — what I imagine is quite accurate — that Rankin's responsibility does not extend to major policy decisions concerning the St. Lawrence project. It would not, for example, be for him to decide whether the Attorney General should ask the courts to expedite the legal proceedings. Fisher was also of the opinion that it would now be virtually impossible for the President to disavow the support he expressed in the communiqué issued on the 8th of May at the end of Mr. St. Laurent's visit here for the development of power in the international rapids section by the New York State Power Authority, and to thus renege on the many commitments, both public and private, which have been given to Governor Dewey on this subject. This is also a valid point, I think.

5. On the basis of these considerations, the government may deem it wise to go forward and make representations much along the lines that were discussed at the interdepartmental meeting in Ottawa on Friday, the 2nd of October. As you will have seen from my telegram No. 2251 of the 5th October, Mr. Howe and I are seeing Mr. Brownell on Thursday morning. On that occasion it would be well, I think, for Mr. Howe to stress to the Attorney General how anxious we are to start work on the power project during the next construction season. He might also consider it desirable to indicate in general terms that we have been studying possible methods for reducing the legal delays to a minimum and would welcome the co-operation of the Department of Justice to that end.

6. In the circumstances it may be considered that a Cabinet Minister should see Mr. Dulles on this matter. Among the many considerations that must be borne in mind is that Mr. Saunders of the Ontario Hydro has perhaps been led to expect that formal and very high-level representations will be made to the State Department. The purpose of a meeting with the Secretary of State would be to persuade him to state that it was in the national interest of the United States that everything possible should be done to expedite the legal proceedings. No doubt Phleger, the legal adviser in the State Department, would be present at such a meeting; and it would then be for him, in co-operation with the Department of Justice here, to work out ways and means of accelerating proceedings as much as possible.

7. Burling and Fisher are now of the opinion that it would not be necessary at such a meeting to supply the Secretary of State with full and formal documentation either about the necessity for getting on with the construction next summer or about possible ways of disposing quickly of appeals against the order of the Federal Power Commission. As they see it, it would be sufficient to secure from the Secretary of State an expression of the interest of the United States in avoiding delay. At that point our representatives would offer to co-operate closely with Phleger and with the Department of Justice in preparing the material that it would be necessary

to present to the Court of Appeals here on the 5th of November to support an application for an accelerated hearing.

8. I have been wondering whether, if it is decided to go ahead at once at the ministerial level it might not be possible for Mr. Howe to see Mr. Dulles, if he could stay over on Friday morning and if the Secretary of State were available. Clearly, such an arrangement could be made only with a certain amount of luck as well as good management. But it would have the advantage of putting our case quickly before Mr. Dulles and also of avoiding unwelcome publicity. Alternatively, of course, a meeting could be arranged at a somewhat later date between Mr. Dulles and a Canadian minister. Will you please let me know as quickly as possible if it is decided that Mr. Howe should try to see Mr. Dulles during his visit this week?

776. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2276 Washington, October 7, 1953

CONFIDENTIAL. IMPORTANT.

ST. LAWRENCE PROJECT

Reference: Our telegram No. 2264 of the 6 October.

1. This morning we delivered by hand to Rankin at the Department of Justice a somewhat revised version of our Counsel's memorandum of recommendations on possible methods of expediting the legal proceedings. This was done with the full concurrence of Burling and Fisher.

2. This method of giving him the memorandum afforded us an opportunity to discuss more at leisure the nature of the new difficulty which has arisen. We said that we had been greatly disturbed by his news and had been discussing among ourselves what the exact nature of the difficulty could be. Rankin warned that we should regard as highly secret the information he had given us on Monday. But he was willing to go on to specify rather more precisely the problem with which he has been confronted. What he had to say was far from reassuring and confirms the uneasiness which I expressed in my previous telegram. The question that has been raised by the White House, Rankin explained, concerns the President's power to make an agreement with Canada in the form that has been contemplated. "The essential difficulty in this case," he said, "arises because there has been no congressional action." When we enquired whether he meant that the difficulty was located in the sensitive area of inflamed controversy that has come to a head in the Bricker amendment, he replied, "exactly so". There can now be no doubt, I think, that the new problem which is at present being considered at the Department of Justice is one with wide political as well as constitutional ramifications. Rankin seemed reasonably hopeful that the Department of Justice would be able to frame an opinion

which would satisfy the desire of the White House that the construction of the power project by Ontario and New York should not be impeded. But he strongly urged that we should not press for a decision since, if a snap answer were required, it would almost certainly go against us. On this issue, moderate delay would be in our interest because it would provide officials in the Department of Justice with a chance to scratch their heads and produce an opinion that would satisfy the Canadian Government as well as President Eisenhower.

3. At his invitation we then summarized briefly our Counsel's recommendations for reducing to a minimum possible delays in the courts. We stressed the importance of initiating as quickly as possible after the 5th of November whatever action might be agreed on, so that it would not be possible for the courts to complain that those who were seeking to dispose of the appeals expeditiously had themselves been responsible for some unnecessary delay. He grasped this point very readily and, in general, seemed highly sympathetic with our desire to speed up the legal proceedings. For example, before we had got to that stage in our exposition, he himself suggested that it might be possible to take an appeal directly to the Supreme Court without waiting for the case to be heard in the Court of Appeals.

4. Since we gathered that Rankin will have a large share in deciding whether or not the Department of Justice should seek to have consideration of the appeals expedited, you may be interested in his preliminary reactions to our Counsel's proposals. He was not very enthusiastic about the suggestion that hearings before the Court of Appeals should be advanced, explaining that the opportunities for subsequent delaying tactics on the part of the appellants would still be numerous. On the other hand, he thought that it might well be possible and desirable for the Department of Justice to petition the Supreme Court for a writ of *certiorari* before judgment; and he indicated that if the Department of Justice decided to petition the Supreme Court in that sense, the chances of the Supreme Court accepting the case would be better than fifty-fifty. He gave us the impression that the Department of Justice's relations with the Supreme Court are particularly intimate — more intimate, it would seem, that its relations with other courts of inferior jurisdiction. The crucial question, he intimated, would be whether or not the Attorney General, in all conscience, would urge the Supreme Court to take this case directly and give it priority. We were pleased to find, however, that he seemed to think that such a decision by the Department of Justice was altogether within the bounds of possibility.

5. We then repeated to him some of the arguments which had led Canadian authorities to give favourable consideration to the proposal that high-level representations should be made to the State Department at an early date with a view to expediting the legal proceedings; and we enquired whether he would have any objections to such procedure. After some hesitation, he said that that would be agreeable to the Department of Justice. From further conversation it emerged that there may have been some misunderstanding in the course of our previous talk with him, and that he may have received the quite mistaken notion that we were intending to make representations at the State Department with a view to accelerating the establishment of the Board of Engineers. When we assured him that we regarded this as quite separate from the problem of expediting the legal processes and

that we did not intend to raise it with the State Department at this time, the previous reserve he had shown about formal representations completely evaporated. We need, therefore, feel no inhibition about making representations to the Secretary of State because of nervousness concerning the wishes of the Department of Justice in this matter. No doubt you will be letting me know in due course what decision is reached in Ottawa about representations to the State Department.

6. Yesterday afternoon we took the preliminary step of telling Jack Tate, Deputy Legal Adviser in the State Department, that we were worried over the possibility that if appeals against the order of the Federal Power Commission were handled by the courts in a routine way, no final disposition of the case could be made until the whole of the construction season for 1954 had been lost. For that reason we had been giving some thought to possible methods of speeding up the legal processes and it might be that we would shortly be seeking to arrange an interview with the Secretary of State to impress on him the necessity for speed in reaching a final disposition of the case and also to discuss with him possible ways of accelerating the legal proceedings. Tate replied that such an interview would seem altogether proper. He asked us, however, to try to inform him rather more fully of what we had in mind before the interview took place. In Phleger's absence on leave he is at present acting as legal adviser in the State Department. For that — if for no other — reason, we feel it would be to our advantage to take him more fully into our confidence before our proposals are presented to Mr. Dulles.

777. DEA/1268-D-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1671 Ottawa, October 8, 1953

SECRET. IMMEDIATE.

ST. LAWRENCE POWER PROJECT

Reference: Your Telegram No. WA-2276 of October 7.

Confirming the information given orally to you, Cabinet agreed that, if a meeting could be arranged for Friday, Mr. Howe would discuss with Mr. Dulles the desirability of the United States Administration taking what action is open to it to obtain a final legal decision at the earliest possible date when the opponents of the Power Project appeal in the courts (as they most certainly will) the granting by the Federal Power Commission of a licence to the New York State Power Authority.

2. We expect the appeal to be taken on November 4, at the expiration of the sixty-day period for appeal to the courts. The prospective defendant will be the FPC, represented by the Department of Justice. The plaintiffs will presumably consist of four parties, three of whom, according to the FPC's rulings, have not shown an "interest" on the *merits*. The fourth party, who has shown an "interest" on the mer-

its (Spalinski),[66] failed to produce evidence of his ability to finance his proposals for the project. In the light of their past tactics, the prospective plaintiffs (who will have the initiative in these legal proceedings) will certainly seek to impose maximum delays. In the normal course of events we anticipate that the case would not be finally disposed of in the US Courts until at least the early part of 1955. With a power shortage threatened in Ontario in 1957-58, such delays would have very unfortunate repercussions in Canada and the United States which could be minimized, to some extent, if advantage could be taken of the 1954 construction season. We consider that if all aspects of this case were studied now and the legal papers, as far as possible, were drawn up in advance of November 5th (the day following the anticipated appeal by the plaintiffs), prompt action could be taken to minimize delay. The initiative in this matter lies entirely with the US Administration, but both Canada and the United States have, as reaffirmed by the President and the Prime Minister in May of this year, a not inconsiderable national interest in proceeding as rapidly as possible.

3. My immediately following telegram contains a draft memorandum which might be used by Mr. Howe.† As you will see, it is based mainly on Mr. Pierce's statement to the FPC as set out in your teletype WA-2855 of December 11, 1952. Mr. Howe might wish to leave a copy of such a memorandum with Mr. Dulles. For this reason, the last paragraph of the memorandum concerning the specific steps the latter might take has been left rather vague. As you know, these documents are sometimes made public and it would be unwise to have anything in the memorandum which might be considered by opponents of the Power Project as an unwarranted interference by a foreign state in the matter of the legal rights of United States citizens.

4. Mr. Howe might therefore wish to use orally, in addition to the material contained in the memorandum, the information contained in paragraph 2 of this telegram. He might also add that your Embassy and Counsel for Canada before the FPC hearings will be pleased to give to the State Department and to the Department of Justice all available information on the steps which commend themselves to Canada for ensuring a speedy legal determination of the issues involved. It would be a friendly and helpful gesture if Mr. Dulles were to ensure that everything possible is done by the United States authorities to secure, according to law, the beneficial use of the St. Lawrence power project by Canada and the United States at the earliest possible moment.

5. I would be grateful to have any comments you may wish to make on the memorandum and this approach. May I urge that you advise Goetz of Mr. Howe's *démarche* so that he can arrange for a similar approach by Governor Dewey with Mr. Brownell and the President if he is so minded.

6. In accordance with your suggestion in paragraph 6 of your message under reference, I assume that you will be briefing Tate fully.

[66] H.A. Spalinski, président de la Public Power and Water Corporation, Trenton, New Jersey.
H.A. Spalinski, President, Public Power and Water Corporation, Trenton, New Jersey.

778. DEA/1268-D-40

Note de l'ambassadeur aux États-Unis

Memorandum by Ambassador in United States

CONFIDENTIAL [Washington], October 8, 1953

ST. LAWRENCE PROJECT: INTERVIEW WITH US ATTORNEY GENERAL

Mr. Howe called on the US Attorney General this morning and I accompanied him. The St. Lawrence project was one of the two specific subjects discussed. (The other was aluminum, concerning which I am doing a separate memorandum.†)

2. Mr. Howe said that Canadian authorities were most anxious to get on with the power project. He thus gave me the opportunity of putting to Mr. Brownell our position with respect to the two aspects of the question which have been the subject of communications with the Department in the past few days, viz., the expedition of the legal proceedings connected with the issue of the license to the New York Power Authority and the constitutional issue, brought to our attention by Assistant Attorney General Rankin.

3. I said that these two issues were clearly separable. The former was urgent because, unless the legal delays were reduced to a minimum, the 1954 construction season would be lost and this would entail very serious consequences. As the Attorney General had given me the opportunity, I had put our position very frankly to Rankin. He knew of our anxiety to press the legal proceedings to as early a decision as possible; he was also aware of the steps which we thought might be taken to accomplish this end and had expressed interest especially in the possibility of bringing the issue before the US Supreme Court by means of *certiorari* before judgment.

4. On this problem of expediting the legal proceedings, the Canadian Government were considering a formal representation to the Secretary of State urging the US Government to instruct their counsel to take every legal means to minimize the delays. Such a representation would probably be made to Mr. Dulles by a Minister. I would keep Rankin informed of our intentions in this respect and would also put our position fully before the State Department Legal Adviser before the Canadian Minister saw the Secretary of State. Mr. Brownell agreed that this would be a satisfactory procedure from the point of view of the Department of Justice. He added that US authorities were also anxious to avoid unnecessary legal delays in the disposition of this question.

5. On the second question, I said that this was clearly of great importance. On the other hand, there was not the same urgency for its disposition. We had had no idea that there was any constitutional problem involved. It had come as a great shock to us. We earnestly hoped that the Department of Justice would be able to find a satisfactory solution and one which would not involve further action by Congress. Mr. Brownell indicated that it was his hope, too, that the Justice Department's examination of this question would not reveal any insuperable barrier to effective Executive action.

6. Mr. Howe said that the appointment of the Board of Engineers was not essential to going ahead with the power development. This had merely been a proposal of the International Joint Commission as a mechanism for joint action.

7. Throughout our conversation the Attorney General indicated full sympathy with the Canadian desire to press on with the project. He welcomed the Embassy's direct contact with the Justice Department in this matter and said that this would involve no difficulty with the legal authorities in the Department of State. We should, however, keep the latter fully informed of any steps that we might be contemplating. It was left that we should keep in touch with Rankin and Phleger on the procedural problem, but that for the present the constitutional issue should be regarded as private between Rankin and ourselves.

8. The way is now open for us to see the State Department and prepare the way for representations to the Secretary of State.

A.D.P. H[EENEY]

779. DEA/1268-D-40

Note du secrétaire adjoint du Cabinet pour le premier ministre[67]

Memorandum from Assistant Secretary to Cabinet to Prime Minister[67]

Ottawa, October 9, 1953

RE PROPOSED MEETING BETWEEN MR. HOWE AND MR. DULLES ON ST. LAWRENCE PROJECT

Our Embassy at Washington has informed us this morning that during the course of his talks with Mr. Brownell yesterday, Mr. Howe had an opportunity to raise the question of expediting the anticipated litigation on the St. Lawrence project in US courts.

It has not been possible, however, to arrange a meeting with Mr. Dulles as had been agreed in Cabinet last Wednesday. For one thing, the US Cabinet meets on Friday and, for another, Jack Tate and other officials of the State Department, with whom our proposals have already been discussed informally, felt rather strongly that they should have an opportunity to brief Mr. Dulles more fully before Mr. Howe or some other Minister speaks to him. All those concerned with this matter agree that it would be a good thing if a Canadian Minister could go down to Washington to discuss the problem with Mr. Dulles some time next week.

If you agree that Mr. Chevrier or Mr. Howe or Mr. Pearson should see Mr. Dulles about this, I shall notify the Embassy accordingly, in order that such a meet-

---

[67] L'annotation suivante a été dactylographiée sur notre copie du document:
The following was typed on this copy of the document:
"I would like Mr. Howe's views about this and if he will decide what is advisable in view of his own visit to Mr. Brownell, I will be glad." St-L[aurent]

ing can be arranged with the State Department for, say, Wednesday of next week. I think that the meeting should be held as soon as possible in view of the considerable amount of preparatory work yet to be done before the US Attorney General makes his move in the Court of Appeals on or about November 5th.

P. P[ELLETIER]

780. DEA/1268-D-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Assistant Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL [Ottawa], October 13, 1953

ST. LAWRENCE POWER PROJECT

Attached is a copy of a telegram from Washington showing that Mr. Howe could not see Mr. Dulles on the St. Lawrence project and has returned to Ottawa.† The Embassy suggests that a Cabinet Minister should make representations to Mr. Dulles. This information was passed to Mr. Pelletier of the Privy Council Office who, because of the Prime Minister's desire to be kept informed, gave him the latest information.

2. Mr. St. Laurent, who was then leaving the city, suggested that Mr. Howe, as Acting Prime Minister, should decide what is advisable in view of his own visit to Mr. Brownell. Mr. Pelletier had a conversation with Mr. Howe, in the course of which Mr. Howe said that he had understood from Mr. Heeney that you would be going to Washington next week. Mr. Howe was therefore of the opinion that you ought to see Mr. Dulles.

3. Would you let me know what are your wishes in this matter? Mr. LePan at Washington has been fully informed and I think, in consultation with Mr. Heeney, will make a tentative appointment for you to see Mr. Dulles.[68] It has been suggested that the publicity about your visit will have to be thought out somewhat carefully, especially in the light of the Korean situation.

4. As regards the suggested action which the United States Government might take to expedite the legal proceedings, Mr. Howe reports that Mr. Brownell and his Department are "enamoured" with the proposed *certiorari* proceedings reported to Cabinet. It does not appear that there should be any objection from the Department of Justice as a result of the groundwork already laid by the Embassy.

R.A. M[ACKAY]

---

[68] Note marginale:/Marginal note:
I could go next week from N[ew] Y [ork] or direct from here, then back to NY. [L.B. Pearson]

781. DEA/1268-D-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1708 Ottawa, October 13, 1953

CONFIDENTIAL

ST. LAWRENCE POWER PROJECT: BOARD OF ENGINEERS

In the course of discussion at the International Joint Commission on October 9th concerning the establishment of a Board of Control in connection with the St. Lawrence Power Project, Counsel for the United States (W.R. Vallance) intimated that there was no necessity to establish the Board of Control at an early date because the United States Government, for its part, did not propose to establish the Board of Engineers until litigation was out of the way and it was clear that the construction of the project would commence. As Counsel for Canada, Côté enquired specifically whether, in the event the New York State Power Authority were to take up its license immediately, the State Department or the United States Government would be prepared to constitute a Board of Engineers. Vallance replied that there was no use setting up the Board of Engineers which had no work to do and that in the circumstances envisaged, the US Government would not establish the Board of Engineers until the litigation was out of the way.

2. The International Joint Commission, however, agreed to discuss and fix the Terms of Reference of the Board of Control by October 25 and to set it up and appoint its engineers the moment the New York State Power Authority takes its license.

3. We anticipate that the New York State Power Authority may well take up their license before November 4. The statement made by Vallance (which Commissioner Weber told Côté informally should not be taken too seriously) is one which, however, leaves us uneasy. We gained the impression that for budgetary reasons the establishment of a Board of Engineers would be delayed for quite some time. I should be grateful if you could ascertain at some convenient opportunity what are the true intentions of the United States Government. We hope that it will be prepared to establish the Board of Engineers once it has satisfied itself as to the legal position of the United States Government and as soon as possible after the prospective licensee accepts his license regardless of the course of litigation. We have learned from Mr. Howe that Mr. Brownell is uneasy about pressure from Canada for an early establishment of the Board of Engineers. We do not wish in any way to prejudice the Department of Justice's orderly consideration of the US constitutional position and are *not* pressing now for the constitution of the Board of Engineers. We should not wish to think, however, that for budgetary or other subordinate reasons the US government should have bound itself not to act until the litigation is out of the way.

782. DEA/1268-D-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELEGRAM WA-2348 Washington, October 16, 1953

CONFIDENTIAL

ST. LAWRENCE PROJECT

Reference: Our teletype WA-2321 of the 14th of October.†

Yesterday afternoon LePan and I called on Lee Rankin at the Department of Justice and told him that the government had decided to make representations to the Secretary of State urging that the legal proceedings should be expedited so that the construction season next year would not be lost. We explained that although we had some suggestions about how this might be done, we did not intend to teach our grandmother how to suck eggs; we would be content to leave it to the Department of Justice and the Department of State to decide on the best means of accomplishing the objective we all had in view. Rankin said that such representations to the Secretary of State would be entirely satisfactory to the Department of Justice.

2. He said that he had talked on two occasions to the Attorney General about our request and that Mr. Brownell had told him that everything possible should be done to accelerate the legal proceedings. The Attorney General had also discussed the matter with President Eisenhower, who had said that he believed it to be in the interests of the United States to expedite the proceedings.

3. Lawyers in the Department of Justice were already at work, Rankin said, to determine what would be the best means of securing an early and final disposition by the courts of the appeals that are to be expected against the order of the Federal Power Commission. The memorandum prepared by our Counsel had been of interest and value, and had been studied carefully. The ideas set out therein had also occurred to lawyers in the Department of Justice; they were giving consideration to other possibilities as well. We gained the distinct impression that the Department of Justice would prefer to continue to deal with us directly on this question without the intervention of Counsel.

4. The idea of seeking from the Supreme Court a writ of *certiorari* before judgment was still under study, Rankin said. But he gave us to understand that there might be difficulties in the way. It would be exceptional for the Supreme Court to agree to review the order of a commission without an appeal being heard by the Court of Appeals. An appellant from an order of the Federal Power Commission had the right to have the courts review the facts in the case as well as the law involved. Ordinarily, by accepting a case through a writ of *certiorari* the Supreme Court undertook to review only the legal issues; so that it might be difficult to leapfrog the intermediate court on an appeal from an order of the Federal Power Commission and take the case directly to the Court of Last Resort. However, it was

possible that the Supreme Court might agree to accept a direct appeal, in which case they would review the facts as well as the law.

5. Rankin said that he had hoped that Burton, Chairman of the New York State Power Authority, could have been present in order to ensure that all of us were thinking and working along the same lines. Burton — and Governor Dewey as well, I gathered — have been in touch with the Attorney General to urge that the case should not be allowed to drag along.

6. All in all, I was encouraged by what Rankin had to tell us. Our request is clearly being studied closely and sympathetically, and the Department of Justice seems to be working strenuously to come up with a procedure which would dispose of appeals with all possible despatch. We are seeing Phleger and Tate at the State Department today so that when you see the Secretary next week the ball should be teed up and ready to be smitten.

783. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2362 Washington, October 16, 1953

CONFIDENTIAL

ST. LAWRENCE POWER PROJECT

Reference: Our teletype WA-2348 of today's date.

We put our case this morning before Phleger, Legal Adviser in the State Department, and he saw very quickly what we wanted. After I had outlined the need to expedite the legal proceedings, he said that what seemed to be required was a letter from the Secretary of State to the Attorney General expressing the interest of the State Department in an early disposal of the appeals.

2. Phleger had not yet seen the memorandum which we left earlier in the week with Tate, his Deputy. We gave him a copy and he undertook to prepare, on the basis of our conversation with him and the suggestions made by our counsel, a brief for Mr. Dulles to see before your meeting with him next week.

784. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2386 Washington, October 20, 1953

CONFIDENTIAL

ST. LAWRENCE POWER PROJECT

Following for the Acting Under-Secretary, Begins: The Minister, accompanied by LePan and myself, called this morning on Mr. Dulles to urge on him that everything possible should be done so that a start may be made during the next construction season in building the power project. Mr. Pearson outlined the repercussions that there would be on the Canadian economy and the Canadian defence effort if construction were delayed until 1955, and also stressed that Canadian public opinion would be dismayed if there were further delay. We will be sending you, in tomorrow's bag, copies of the brief from which the Minister spoke† and also copies of the memorandum which was left with Mr. Dulles.[69] The memorandum followed exactly the text contained in your telegram No. EX-1672 of the 8 of October.† Mr. Pearson also mentioned to Mr. Dulles the letter from Mr. Saunders to the Prime Minister dated the 15th of October,†[70] but did not leave a copy with him. We undertook, however, to provide officials in the State Department with the material contained in Mr. Saunders' letter.

2. Mr. Dulles had before him a brief on the subject which had been prepared, I imagine, by Phleger, his legal adviser, although Phleger unfortunately could not be present himself. The Secretary of State seemed adequately acquainted with the issues involved and readily promised that he would send a letter to the Attorney General stating that the State Department, responsible as it was for conducting the foreign relations of the United States, had an interest in seeing that the legal proceedings were expedited. Mr. Dulles also promised to take the matter up personally with Mr. Brownell on Friday, when the next Cabinet meeting is to be held.

3. The only question of much significance that Mr. Dulles raised concerned the effect on the level of Lake Ontario of the new power project in the International Rapids Section. He said that, when he had been at Duck Island the week-end before last, he had heard a good deal of gossip that the new dams would raise the level of Lake Ontario by as much as a foot. Our only answer to this query was that the International Joint Commission had considered this problem and that both the United States and Canadian Sections had come to the conclusion that the control

[69] Voir le document suivant.
See immediately following document.

[70] Il était question dans cette lettre des ressources hydroélectriques de l'Ontario.
The letter concerned the power situation in Ontario.

mechanisms which would be installed as part of the project would ensure that there was no adverse effect on the levels of Lake Ontario. It occurs to me that it might be useful if you were to prepare a rather more complete answer to the Secretary of State's question. I could then take some casual opportunity to set his mind at rest that his island in the St. Lawrence and other land round-about will not be affected by the proposed power project.

785. DEA/1268-D-40

Note

Memorandum

[Ottawa], October 20, 1953

ST. LAWRENCE POWER PROJECT

The need for additional supplies of low-cost hydro-electric power in the Province of Ontario is urgent and the last remaining sources of such power available to Ontario, the St. Lawrence project, must be developed immediately if a shortage of power, which is bound to affect the economy of Canada and to impair seriously the defence programmes of both Canada and the United States, is to be avoided. The seriousness of the situation was fully demonstrated by the chairman of the Hydro-Electric Power Commission of Ontario in evidence and testimony presented to the Federal Power Commission during its hearings in December 1952. Mr. Saunders' exposition of the problem was based on the assumption that a start could be made on the construction of the St. Lawrence Project in 1953. It now appears that unless special steps are taken it may be impossible to begin work on the project until the spring of 1955. Since the Federal Power Commission hearing, the situation in Ontario has deteriorated, not only because of the delay in beginning the construction of the project but also because the power needs in Ontario have already increased beyond those forecast by the Hydro-Electric Power Commission of Ontario.

2. The industries and resources of Ontario are of vital importance to the civilian economy of Canada and to the defence programmes of both Canada and the United States. Nearly half of Canada's total manufacturing capacity is located in this part of Canada served by the Hydro-Electric Power Commission of Ontario. Nearly one-half of Canada's current production of defence goods comes from this region. From plants in Ontario the Canadian armed forces receive over 80 percent of their mechanical transport and about 60 percent of their electronic and communication equipment. Plants in the area produce the jet engine, the Orenda, for use in both the CF-100 and in the Canadian-built Sabre aircraft, the F86E. The all-weather night interceptor, the CF-100, which is planned to carry out Canada's role in the joint air defence of North America, is also built there.

3. Many of the plants in Ontario which rely on ample sources of hydro-electric power export a large percentage, in some cases 100 percent, of their output to the United States. From the area served by Ontario Hydro, the United States obtains aircraft, ammunition, explosives, air frame sub-assemblies and many other items

important to the defence of the United States. Practically all the electronic gear and most of the building materials which will enter into the erection of the Canada-United States early warning radar screen come from Ontario. Ontario industries supply all the nickel mined and treated in Canada and over 90 percent of the supply available to the United States. They also account for all the cobalt, calcium and platinum group metals produced and exported from Canada. These are only some of the supplies on which the United States relies to a very great extent for its defence programme.

4. Of the many factors which have led to this high degree of industrial development in Ontario, one of the most important is an abundant supply of low-cost hydro-electric power. The rapid development of the last large source of low-cost hydro-electric power in the area, the St. Lawrence project, will help to avoid any serious disruption of the economic base upon which the industries in the area are founded. It will also help to strengthen them to the benefit of both our countries and of the nations with which we are joined in our common interest.

5. The Canadian Government strongly urges, therefore, that everything possible be done to expedite the clearing away of any impediments to an early commencement of the construction of the St. Lawrence project in the national interest of both our countries and the advisers to the Canadian Government in both Washington and Ottawa have been instructed to co-operate in every appropriate manner with United States officials to this end.

786. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État des États-Unis

Ambassador in United States
to Secretary of State of United States

DESPATCH 2046 Washington, October 26, 1953

My dear Mr. Secretary,

You may remember that when Mr. Pearson and I saw you a week ago about the St. Lawrence Power Project, you expressed interest in what effect the proposed power installations in the International Rapids Section of the St. Lawrence would have on the levels of Lake Ontario. The best answer, I think, is contained in a press release of the International Joint Commission which was issued on the 31st of August after hearings held in Montreal. A copy of the release is attached.† I hope you will find it reassuring. As you will see, the United States and Canadian Sections jointly stated that, in their considered judgment, the proposed power installations not only will leave landowners on both sides of the border in no worse position than in the past, but will also hold out some hope — indeed, the only hope, it seems to me — of improving their position.

Yours very sincerely,
A.D.P. HEENEY

787. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2459 Washington, October 28, 1953

CONFIDENTIAL

ST. LAWRENCE POWER PROJECT

Reference: Our teletype WA-2448 of the 27 of October.†

Good news this morning about the St. Lawrence. The Department of Justice have adopted as their own our counsel's proposals for accelerating the process of judicial review and are moving vigorously to put them into effect.

2. This morning John Burton, Chairman of the New York State Power Authority, and Charles Goetz, counsel for the Authority, met for two hours with the Attorney General and Robert Stern, the Acting Solicitor General, to discuss possible methods of expediting the legal proceedings. Brownell said that the Department of Justice had decided to petition the Court of Appeals in the District of Columbia to hold hearings on the 15th of December. During the meeting Stern telephoned to the clerk of the Court of Appeals and ascertained that, in his opinion, there was no reason why the Court should not accede to this request. Stern also telephoned to the lawyers in Washington for all the possible appellants to inquire whether their clients intended to appeal. Three of the possible appellants, including Spalinski, are planning to enter appeals. Only the St. Lawrence Project Conference has decided not to appeal. Stern told each of the appellants what tactics the Department of Justice had decided to follow in order to secure as early disposition of the appeals as possible. In addition, a letter has been drafted which is to go out today over the signature both of the Attorney General and of Gatchell, counsel for the Federal Power Commission, informing the lawyers for the three appellants of the intentions of the Department of Justice. In this way, they would be deprived of the opportunity of arguing before the Court of Appeals that the request for an accelerated hearing had taken them by surprise. Gatchell has been given the responsibility for preparing the papers that will be used to support the petition to be made in the Court of Appeals for accelerated hearings. If the Court of Appeals refuses this petition or decides to set the hearings for a date substantially later than the 15th of December, the Acting Solicitor General will then seek a writ of *certiorari* before judgment from the Supreme Court.

3. The counsel for the Central Pennsylvania Coal Producers Association, in conversation over the telephone with Stern, made an alternative proposal. He suggested that if the Department of Justice were willing to have oral hearings in the Court of Appeals set down for the 15th of January, instead of the 15 of December, the appellants, for their part, would promise to take only thirty days instead of ninety days to file a petition for *certiorari* in the event that the judgment of the Court of Appeals

went against them. Although this proposal is superficially attractive, Stern was not disposed to accept it, since he was not at all certain that the appellants could be made to abide by such a promise.

4. Burling, who gleefully communicated all this news to us this morning, is inclined to think, after consulting with Goetz, that the information in the newspaper story referred to in your teletype No. EX-1811 of the 27 October† is badly garbled. What the Lake Ontario Landowners and Beach Protective Association must be planning to seek in the Court of Appeals in the District of Columbia, they both think, is not an *injunction* but a *stay*. If that is what they have in mind, Goetz and Burling will be delighted, since, once the appellants have asked for a stay, there will be greater reason for the Federal Power Commission and the Department of Justice to ask for accelerated hearings. At an earlier stage the group of lawyers representing those interests which want to see the appeals disposed of as quickly as possible had even given consideration to steps being taken which might panic the appellants into seeking a stay. If a stay is sought, our counsel will be inclined to exclaim: "The Lord has delivered them into our hands."

5. The State Department have not seen the newspaper story which you brought to our attention and could throw no light on it.

6. It would seem that the pincer movement, with the Canadian Government on one side and the State of New York on the other, designed to persuade the Department of Justice to take an active interest in expediting the legal proceedings, has been successful. Incidentally, I have just received a letter from Mr. Dulles' Special Assistant to say that the Secretary of State not only wrote to the Attorney General on this matter but also spoke to him personally about it on the 23rd of October. All this is highly satisfactory. But none of this good news should blind us to the fact that it is never easy to expedite legal proceedings and that many advantages always lie with the party opposed to despatch.

788. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2522 Washington, November 4, 1953

CONFIDENTIAL

ST. LAWRENCE POWER PROJECT: ESTABLISHMENT OF THE BOARD OF ENGINEERS

Reference: Your teletype EX-1708 of October 13.

I telephoned to Lee Rankin yesterday to enquire whether any progress had been made in resolving the constitutional difficulty which had been referred to the Department of Justice by the White House. He told me that a way round, or out of, the

constitutional difficulty had been found and that the White House had been so advised. He added that signature of the executive order appointing the United States members of the board of engineers might be expected at once. He thought that it would be signed either yesterday or today. With this news, the embargo on discussing the establishment of the board of engineers has been removed; and we intend to consult tomorrow with the State Department on their detailed plan regarding the Exchange of Notes.

2. I also took occasion to thank Rankin for his help in getting the Department of Justice deeply and quickly engaged in the task of expediting the process of judicial review of the Federal Power Commission's order. He said that the Department of Justice were optimistic that they would be successful in accelerating the legal proceedings and he expressed the opinion that there was not much substance in the contentions of the appellants.

789. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2530 Washington, November 5, 1953

CONFIDENTIAL. IMPORTANT.

ST. LAWRENCE POWER PROJECT

Reference: Our teletype WA-2522 of November 4.

Things continue to hum as though the generators were already in operation.

2. The New York State Power Authority accepted the Federal Power Commission's licence yesterday.

3. At 11:00 o'clock this morning President Eisenhower signed an executive order designating the New York State Power Authority as the "entity" in accordance with the terms of the Order of Approval of the International Joint Commission, and also appointing the United States members of the Board of Engineers.

4. The record of the hearings before the Federal Power Commission has been transmitted this morning to the Court of Appeals of the District of Columbia.

5. It is expected that the Acting Solicitor-General and the counsel for the Federal Power Commission will enter a motion for accelerated hearings in the Court of Appeals tomorrow.

790. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], November 10, 1953

. . .

ST. LAWRENCE POWER PROJECT: APPOINTMENT OF BOARD OF ENGINEERS

32. *The Prime Minister* proposed the designation of the Canadian members of the Joint Board of Engineers which was to be established in accordance with the order of October 29th, 1952, of the International Joint Commission. There was to be an Exchange of Notes on November 12th to record the agreement on the terms of reference for the Board.

33. *The Cabinet,*

(a) noted that arrangements were being made for an Exchange of Notes in Washington on November 12th, to record agreement on the terms of reference for the St. Lawrence River Board of Engineers; and,

(b) agreed that the following be designated as members of the Canadian Section of the Board:

The Minister of Transport
(Mr. Chevrier) (Chairman)
R.A.C. Henry, Esq., Montreal.

Alternates

Brig. Maurice Archer, Ottawa,
M.V. Sauer, Esq., Montreal.

an Order-in-Council to be passed accordingly.

(Order-in-Council P.C. 1953-1756, Nov. 10)†

. . .

791. DEA/1268-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

DESPATCH 2180 Washington, November 12, 1953

ST. LAWRENCE POWER PROJECT: ESTABLISHMENT OF THE JOINT BOARD OF ENGINEERS

Reference: Our Teletype No. WA-2598 of today's date.†

Attached are four copies of the Notes exchanged between General Bedell Smith, Under-Secretary of State, and myself at the State Department this morning to establish the St. Lawrence River Joint Board of Engineers.

D.V. LEPAN
for the Ambassador

[PIÈCE JOINTE 1/ENCLOSURE 1]

L'ambassadeur aux États-Unis
au secrétaire d'État des États-Unis

Ambassador in United States
to Secretary of State of United States

NOTE NO. 820 Washington, November 12, 1953

Sir,

I have the honour to refer to the Order of Approval issued by the International Joint Commission on October 29, 1952, under authority of the Boundary Waters Treaty of January 11, 1909, in the matter of the applications of the Government of Canada and the Government of the United States of America for an Order of Approval for the construction of certain works for the development of power in the International Rapids Section of the St. Lawrence River.

The Government of Canada has designated the Hydro-Electric Power Commission of Ontario as the entity to construct, maintain and operate the proposed works in Canada and I have been informed that the Government of the United States, consistent with the action of the Federal Power Commission in licencing the Power Authority of the State of New York, has declared that authority to be the designee of the Government of the United States of America for the construction of the works referred to in the Order of Approval of the International Joint Commission of October 29, 1952. It would, therefore, be agreeable to the Canadian Government if the St. Lawrence River Joint Board of Engineers, proposed in the applications of both Governments to the International Joint Commission and approved in that Commission's Order, were now established so that the Hydro-Electric Power Com-

mission of Ontario and the Power Authority of the State of New York may submit their plans and programmes of construction to the Board for its approval.

The Canadian Government suggests that the Board consist of four members, two to be designated by and to act on behalf of the Government of Canada and two to be designated by and to act on behalf of the Government of the United States of America, and that the Board should perform the duties specified in clause (g) of the Order of Approval, including the approval of the plans and specifications of the works and the programmes of construction thereof submitted for approval of the respective Governments as required by the Order of Approval, and assurance that the construction of the works is in accordance with such approval.

Reports shall be made by the Joint Board of Engineers to the respective governments to keep them currently informed of the progress of the construction of the works.

If the Government of the United States is agreeable to the foregoing proposals, I suggest that this note and your reply should constitute an agreement between our two governments establishing the St. Lawrence River Joint Board of Engineers.

Accept, etc.

A.D.P. HEENEY

[PIÈCE JOINTE 2/ENCLOSURE 2]

Le secrétaire d'État des États-Unis
à l'ambassadeur aux États-Unis

Secretary of State of United States
to Ambassador in United States

Washington, [n.d.]

Excellency,

I have the honor to refer to your Note No. 820 of November 12, 1953, in which you made proposals for the establishment of the St. Lawrence River Joint Board of Engineers.

I have the honor to inform you that the Government of the United States concurs in these proposals and agrees that your note and the present reply shall constitute an agreement between our two Governments establishing the St. Lawrence River Joint Board of Engineers, as proposed in the applications of each Government, dated June 30, 1952, to the International Joint Commission and approved in that Commission's Order of October 29, 1952.

Accept, etc.

JOHN FOSTER DULLES

792. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

CONFIDENTIAL [Ottawa], November 30, 1953

. . .

THE AMERICAS

16. *St. Lawrence Power Project*

American Division: On November 19, the United States Court of Appeals of the District Court of Columbia Circuit heard a motion made by the US Attorney General and Counsel for the Federal Power Commission to advance the hearing of the case brought against the Federal Power Commission by the Lake Ontario Land Development and Beach Protection Association Inc., the Public Power and Water Corporation and the Central Pennsylvania Coal Producers' Association. These three associations seek to upset a decision of the FPC granting a licence to the New York State Power Authority to develop with Ontario Hydro the power potential of the International Rapids Section of the St. Lawrence River. By the legal means at their disposal, these associations are also seeking to impose the maximum delays in reaching a decision, thus seriously retarding the day when the Power Project can be launched. The Attorney General's motion was substantially granted: the oral hearings will be held by the Court on December 23, 1953. . . .

SECTION B

PRODUITS LAITIERS
DAIRY PRODUCTS

793. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Divisions

RESTRICTED [Ottawa], January 5, 1953

. . .

US RESTRICTIONS ON DAIRY PRODUCTS

11. *Mr. Ritchie*. Acting under the provisions of Section 104 of the United States Defence Production Act the US Department of Agriculture announced on December 30 a number of changes in the Import controls on Dairy Products. It will be recalled that these restrictions were imposed as a protectionist measure and they have been considered in the GATT and found to be a violation of the General Agreement. From time to time as the situation in the US changes with respect to

domestic production, marketing, storage or the related price support programs, the US Administration either is able to relax the restrictions or may be obliged to extend them if imports are having an adverse effect on the domestic market. Among the recent changes one establishes import quotas on dried whole milk, dried buttermilk and dried cream, which limit imports during the period ending March 31, 1953, to quantities approximately equal to the average quarterly imports during the first two quarters of 1952. US imports of dried whole milk and dried buttermilk sharply increased in 1952 and have recently tended to displace domestically produced butterfat and solids. The import quotas are therefore expected to reduce expenditures which might otherwise be necessary under the price support program. As the action taken was mandatory and as US government purchases of butter and cheese under the price support program have recently increased the action taken was not altogether unexpected. The Canadian dairy industry will be hurt by the action but probably not unduly so. Of more serious concern is the continued existence of this objectionable US legislation which impairs the trade of other countries and creates uncertainties about the possibility of obtaining and holding increased markets in the USA.

. . .

794. DEA/10817-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-22 Ottawa, January 6, 1953

CONFIDENTIAL

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

As the December 30th restrictions on dried milk products amount to an intensification of restrictions, it has occurred to us that this might be an appropriate time to remind the United States of our serious concern with this infringement of GATT and again to press for repeal of the legislation. Representations might be made to the State Department along the lines of our notes of August 27, 1951, and January 17, 1952.

We should be grateful to know whether you have any reasons either to recommend or counsel against such action. If further representations were made, do you think before or after the new Administration has taken office would be the more propitious time?

795. DEA/10817-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-48 Washington, January 7, 1953

CONFIDENTIAL

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

Reference: Your EX-22 of January 6, 1953.

It is our opinion that further representations should be made to State Department but not until the new administration has taken over, and that the most appropriate time would be about January 27. Moreover we think it important that our note should be broad, dealing with the basic issues; and that it be self-contained, written on the assumption that many who will read it will be unaware of what has gone before and under such pressure that they will be unlikely to study the files.

2. If you wish a note presented presumably you will instruct us and send us its terms.

3. Have you thought about encouraging more or less simultaneous representations from other parties to GATT?

796. DEA/10817-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-96 Washington, January 12, 1953

CONFIDENTIAL

UNITED STATES IMPORT RESTRICTIONS — DAIRY PRODUCTS

1. Dr. R.L. Beukenkamp, Agricultural Attaché of The Netherlands Embassy, approached us today to enquire if we would be interested in meeting with representatives of that Embassy, and possibly representatives of embassies of other countries, to discuss the recently announced restrictions on United States imports of dried milk. The purpose of the meeting would be to consider what action the various countries affected by these restrictions intend to take to protest the import controls applied by the United States to dairy products and what, if any, retaliation is under consideration. Whether or not some joint action might be desirable, would also be considered.

2. We raised the question of the desirability of consultation with other countries on this subject in our teletype WA-48 of January 7, in reply to your EX-22 of January 6. We would, therefore, appreciate your views with reference to Dr. Beukenkamp's enquiry.

797. DEA/10817-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-63 Ottawa, January 13, 1953

CONFIDENTIAL

UNITED STATES IMPORT RESTRICTIONS — DAIRY PRODUCTS

Reference: Your Telegram WA-96 of Jan. 12.

Consultation has been initiated with other departments and we hope to be able to send you instructions shortly. For your information, we in this department are in general agreement with your proposal that representations should be made about January 27th. With regard to consultation and possible simultaneous action with other interested countries, we would not wish to give the US the impression that organized pressure which went beyond the action envisaged at the Seventh Session of GATT was being brought to bear.

Pending receipt of formal instructions from here we see no reason why you should not attend a preliminary meeting at the Netherlands Embassy and inform representatives that consideration now is being given in Ottawa to the problem.

798. DEA/10817-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-163 Ottawa, January 29, 1953

CONFIDENTIAL

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

Reference: Your Message WA-48 of January 7.

The text of a note to hand to the State Department follows at the end of this message. In accordance with your suggestion the note is drafted in order to deal primarily with the general issues involved. Unless you see any objections I should

be grateful if you would arrange to have the note presented to the State Department as soon as possible.

2. In delivering the note you might wish to make some oral remarks designed to place this note in its proper context. You might point out that, while the restrictions on dairy imports provide the occasion for these representations, they are not necessarily the only or the most serious aspect of recent US commercial policy which troubles us. I should be grateful if in presenting the note you would consider referring, to the extent that you deem it appropriate at this stage, to other features of United States commercial policy which disturb us. Specifically, we have in mind the present limited scope for tariff negotiations, the width of the escape clause in the current Trade Agreements Extension Act, the increasing activities of the United States Tariff Commission with respect to applications for tariff protection, the delay in passing a satisfactory Customs Simplification Bill, etc.

3. As we propose to inform interested missions here of our protest, after the note has been presented to the State Department, I should also be grateful if you would advise us as soon as the note is delivered. You may wish similarly to inform the Dutch and other interested Embassies in Washington that we have lodged this protest.

4. Text begins:

The Canadian Ambassador presents his compliments to the Secretary of State and has the honour to refer to the Canadian Embassy's notes of August 27, 1951, and January 17, 1952, regarding the restrictions imposed upon imports of fats, oils and dairy products under Section 104 of the Defence Production Act of 1951.

The Secretary of State will be aware that these import restrictions were considered at the Sixth and Seventh Sessions of the Contracting Parties to the General Agreement on Tariffs and Trade and that resolutions were adopted recognizing these measures to be contrary to the provisions of the Agreement.

On the occasion of the announcement on December 30th, 1952 of further import restrictions, relating to dried milk products, the Canadian Government re-examined the situation resulting from these restrictions. On the basis of this review the Canadian Government would again express its serious concern at this infringement of international Agreements to which the Governments of the United States and of Canada are parties. The Government of Canada wishes to call the attention of the Government of the United States to the effects of these measures not only on trade between the United States and Canada but also on the broad commercial policy interests of the two Governments.

The Government of Canada considers that such departures from accepted principles of commercial policy by the leading trading nation can hardly fail to weaken the force of those principles and to damage seriously the development of world trade on a constructive basis.

Both Canada and the United States, recognizing the weakening effect of continued reliance on import restrictions on economies of friendly countries, have frequently encouraged them to seek solutions to their balance of payment difficulties through increasing exports rather than curtailing imports. Actions by the United States Government such as that represented by these import restrictions tend to un-

dermine the confidence of overseas deficit countries in their ability to approach a balance by increasing their dollar earnings. These measures may in consequence have the effect of discouraging attempts which might be made by such countries, in the face of great difficulties, to change the general direction of national policies away from reliance on discriminatory import restrictions as methods of achieving international balance.

The Government of Canada, accordingly, takes this opportunity to urge once more that the import restrictions imposed under Section 104 of the Defence Production Act of 1951 be removed as soon as possible. Text ends.

799. DEA/10817-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-272 Washington, February 3, 1953

CONFIDENTIAL

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

Reference: Your EX-163 of January 29, 1953.

Following English's[71] talk with Isbister yesterday, we postponed presenting our note of protest and have now arranged to give it to the Assistant Secretary of State for Economic Affairs, Harold F. Linder, on February 10, at 4 o'clock.

2. As Isbister has probably by now told A.E. Ritchie, the question of publicity arose. We know that some in the State Department would welcome it as helpful and it seemed to suit our interests as well. We did not want to take to the press with a protest in the immediate wake of the President's State of the Union message for reasons which will be obvious to you.

3. We assume you will prepare and issue the release. We would be glad of a chance to see it in draft.

[71] J.H. English, conseiller (Commerce), ambassade aux États-Unis.
J.H. English, Commercial Counsellor, Embassy in United States.

800. DEA/10817-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassade aux États-Unis

Secretary of State for External Affairs
to Embassy in United States

TELEGRAM EX-185 Ottawa, February 3, 1953

CONFIDENTIAL

US DAIRY IMPORT RESTRICTIONS

We have discussed with Mr. Wrong the views expressed by Pierce and English to Trade and Commerce concerning the timing of our note to the State Department.

2. We agree that, in the light of the President's message on the State of the Union, it would be desirable to defer a presentation of our note until early next week. We are also agreeable to the issuance of a press release after the note has been presented. We feel that any announcement to the press should be made simultaneously in Washington and Ottawa and we should be grateful for your views on the timing of any such release.

801. DEA/10817-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-361 Washington, February 11, 1953

CONFIDENTIAL. IMPORTANT.

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

Reference: Your EX-163 of 29th January.

Our note on the new dairy restrictions was delivered this morning to Harold Linder, Assistant Secretary for Economic Affairs at the State Department.[72] It was presented by Pierce, who was accompanied by English and LePan.

2. We pointed out that the note had been deliberately cast in general terms to lay stress on the effect of these new restrictions on the broad commercial policy interests of Canada and the United States. If it had been framed more narrowly, refer-

---

[72] La note a été déposée à la Chambre des communes le 11 février 1953; voir Canada, *Débats de la Chambre des communes*, session 1952-1953, vol. II, 11 février, p. 1937. Voir aussi la déclaration du très honorable Louis Saint-Laurent, *ibid.*, 17 février, pp. 2115-2116.
The note was tabled in the House of Commons on February 11, 1953; see Canada, House of Commons, *Debates*, Session 1952-1953, February 11, p. 1827. See also statement by Rt. Hon. L.S. St. Laurent, *ibid*, February 17, pp. 1997-8.

ence might have been made, we explained, to the fact that for the five years before the war and also for the five years after the war, United States exports of agricultural products to Canada exceeded in value Canadian exports of agricultural products to the United States. Picking up this argument (which we suggested might be useful at least in dealing with Senators and representatives from agricultural areas), Linder said that he had always believed that Section 104 of the Defense Production Act was contrary even to the interests of United States agriculture.

3. This morning's radio carried a news report that the President was to meet this afternoon with Congressional leaders and members of his administration to consider extension of the Reciprocal Trade Agreements Act. Although we are not sure whether this report is accurate, we think it may be, since it has been announced by the White House that a group of Congressmen and officials (including Linder) is to see him this afternoon. In any event, we thought that this might be a propitious day on which to raise the other features of United States commercial policy which disturb us, in accordance with the permission given us by your telegram under reference.

4. We began by reporting that, so far as we could judge, the Canadian authorities had been encouraged by what President Eisenhower had said about foreign trade policy in his State of the Union message. On the other hand, we could not help wondering about the qualifying phrases which he had used in calling for customs simplification and also for extension of the Reciprocal Trade Agreements Act. Further, we wondered whether even more far-reaching action by the United States might not be required in the present circumstances. There had been a great secular change in the relative economic position of the United States. It would take time to make the adjustments which this new position required; and no doubt there would be a gap between what was ideally desirable — or even necessary — and what was within the boundaries of political possibility. This was all the more true since attention would have to be paid in the United States, as in other countries, to particular economic interests. Nevertheless, we would like to express the view that the strong creditor position of the United States made highly desirable a commercial policy going beyond the philosophy embodied in the present Reciprocal Trade Agreements Act. It was doubted in Ottawa whether the stress laid by that Act on reciprocity was entirely appropriate in present circumstances. Leaving that doubt aside, the Canadian authorities were concerned over the limitations of the Act in its present form; i.e.:

(a) Over the toughness of the present "peril points" provisions;

(b) Over the width of the escape clause; and

(c) Over the limited scope now left by the Act for further reductions in the United States tariff.

Linder said that he had no quarrel with any of these points, but that it was impossible to say at this stage whether or not the new administration would decide to support such an advance in the field of commercial policy as we had spoken of. For one thing the coming talks with the British and others might have an effect on United States policy. Parenthetically, we should perhaps explain, in making these informal representations, we were not under the illusion that any such advance is

likely; but we thought that, by indicating the action which seemed to be required by the circumstances, particularly now that foreign economic assistance is probably to taper off, we would be doing whatever little we could to help some members of the administration in resisting Congressional pressure for regressive changes in the present Reciprocal Trade Agreements Act.

5. In discussing the general prospects with us, Linder said that there was yet no firm administration policy beyond that announced in the President's State of the Union message. In particular, he did not know whether the new administration would attempt to secure repeal of Section 104 of the Defense Production Act. This Act lapses, as you know, at the end of June of this year and is not to be renewed. An attempt might be made in Congress to continue Section 104 by separate legislation; but both Linder and the officials who were with him thought that a separate bill of this kind would have very little chance of being passed by Congress. A more dangerous possibility was that an attempt might be made to attach Section 104 as a rider to any bill extending the present Reciprocal Trade Agreements Act. Section 104 is reproduced in a bill which Senator Capehart has introduced, a bill calling for stand-by powers designed to replace the Defence Production Act. Linder said the administration was opposed to any legislation providing for stand-by powers.

6. Linder said that he expected the present Congress to pass both an extension of the Reciprocal Trade Agreements Act and a customs simplification bill. He took encouragement from the inclusion of both items, and the high priority given them, in the Congressional timetable announced yesterday by Senator Taft which we forwarded you in our today's teletype WA-359.† The important question in his mind was what would be the nature of the measures which Congress would approve. To attempt to answer that question would be very hazardous at this stage.

7. Before leaving, we pointed out the importance which we attached to the passage of a satisfactory customs simplification bill. Over and above the practical commercial advantages of such a measure, it would have an important psychological and symbolic effect as a pointer to the direction of United States commercial policy, and, as such, would do a great deal to encourage deficit countries in their efforts to increase dollar earnings. The same could be said of repeal of the "buy American" act.

8. We came away from the interview with the following main impressions:

(a) All of the most important issues of foreign trade policy are now under active consideration and probably at the highest level;

(b) Officials in the State Department with responsibilities in this field are convinced of the need for a further advance and have not yet come to the conclusion that it is out of the question;

(c) The State Department believes that the present Congress will both extend the Reciprocal Trade Agreements Act and pass a customs simplification bill, although they are very uncertain what form these measures may take.

802. DEA/10817-A-40

Le conseiller (Agriculture) de l'ambassade aux États-Unis au directeur général, Direction générale des relations commerciales internationales, ministère du Commerce

Agricultural Counsellor, Embassy in United States, to Director, International Trade Relations Branch, Department of Trade and Commerce

Washington, March 19, 1953

Dear Dr. Isbister:

US RESTRICTIONS ON IMPORTS OF DAIRY PRODUCTS

I was invited to meet, on March 18, along with representatives of Embassies of a number of other countries, Mr. Romeo E. Short, the new Director of the Foreign Agricultural Service of the US, who, I believe, is to be named an Assistant Secretary of Agriculture, to present our views with respect to Section 104 of the Defense Production Act. Besides Canada, representatives of the following countries were present, Denmark, Sweden, Netherlands, Belgium, Italy, Norway, Australia and New Zealand. Besides Mr. Short, the USDA was represented by Francis Wilcox, who has been Acting Director of FAS for the past few weeks and who will shortly return to his former position with the California Citrus Fruit organization, Rossiter, Schwenger and Floyd Davis, all of the Foreign Agricultural Service.

2. Each of us had an opportunity to say a few words but, unfortunately, Mr. Short only had one hour to listen to all of the statements. In the few minutes that were allotted to me, I emphasized in particular that, during the past number of years since the passage of the Trade Agreements Act of 1934, substantial progress has been made in the reduction of tariffs of various countries. This desirable development in the liberalization of trade has been of great advantage not only to agricultural producers of the world but to other people as well. When Section 104 was enacted, the progress towards improving trade relations between nations was halted and it has been particularly disturbing that the leading trading nation of the world should be the one which has adopted import restrictions and thereby retarded progress towards the expansion of world trade. We all spoke extemporaneously except the Netherlands representative who had a prepared statement.

3. I also pointed out that one of the results of the import restrictions was the pressures on governments to take counter measures. I said, for example, the Government of Canada has been asked to restrict the imports of cottonseed oil from the US, which is used for margarine, because Canada can produce her own butter. Apple and tomato producers have pointed out that large imports of citrus fruits are unnecessary because we can consume our own products, and so forth. I indicated that our government, as I am sure most other governments represented around the table, does not like restrictions and retaliation and it is this broad aspect of the problem that most concerned us.

4. I further indicated very briefly that Section 104 disturbed our trade with the US in cheese and manufactured milk and that, on the average of the five prewar and postwar years, Canada purchased agricultural commodities with a larger value from the US than were exported from Canada to the US. I also agreed with some of the other speakers who had spoken before me that we considered Section 104, as did the US State Department, an infringement of GATT. I stated also that Canada had presented three notes to the State Department with respect to the restrictions on dairy imports.

5. Mr. Short gave us a very sympathetic hearing. He is, by the way, a rice and cotton grower and mentioned the fact that commodities that he personally is producing find a market in Canada.

6. In concluding the short meeting, Mr. Short stated that Secretary Benson[73] is quite conscious of the problem and very sympathetic to the views of the countries concerned. He stated that on April 1st and 2nd representatives of the dairy industry have been called to a meeting in Washington by Secretary Benson to consider adjustments which must be made in the dairy industry of the US in order to avoid the purchase of great stocks of butter, cheese and manufactured milk by the US Government.

7. He, of course, stated that Section 104 is a law and the Department of Agriculture must carry out the intent of Congress. He would not predict what Congress will do with respect to the re-enactment of Section 104 but he thought the atmosphere in the US on international trade is more helpful than ever before. He is hopeful, he said, that the US Department of Agriculture will take an enlightened interest in the trade problems of other countries and the need for freer world trade. He thanked the speakers for their contributions which he said will guide himself and the USDA in respect to the matter under consideration and the whole future of trade.

8. Mr. Short also pointed out that the high price supports are giving Secretary Benson considerable concern and that changes in the agricultural programs, which are to be brought into operation by the Republican Administration, are now under very intensive study.[74]

Yours faithfully,

W.C. HOPPER

---

[73] Ezra Taft Benson, secrétaire à l'Agriculture des États-Unis.
Ezra Taft Benson, Secretary of Agriculture of United States.

[74] Voir la pièce jointe 2 du document 662./See Document 662, enclosure 2.

803. DEA/10817-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

DESPATCH 1171 Washington, June 11, 1953

CONFIDENTIAL

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

Reference: Our teletype No. WA-361 of the 11th February.

We regret that through an oversight we have not forwarded to you copies of a note which we received from the State Department on the 15th of May in reply to our Note No. 83 of the 10th of February, regarding the intensification of import restrictions on dairy products under Section 104 of the Defence Production Act of 1950, as amended. As you will see, this reply from the State Department is of a routine character. Nevertheless, you should have had it sooner to complete your files; and we apologize for the delay.

SYDNEY PIERCE
for the Ambassador

[PIÈCE JOINTE/ENCLOSURE]

Le secrétaire d'État par intérim des États-Unis
à l'ambassadeur aux États-Unis

Acting Secretary of State of United States
to Ambassador in United States

CONFIDENTIAL Washington, May 15, 1953

The Acting Secretary of State presents his compliments to His Excellency the Ambassador of Canada and has the honor to refer to his Note No. 83, dated February 10, 1953, expressing the concern of the Government of Canada regarding the intensification of import restrictions on dairy products under Section 104 of the Defense Production Act of 1950, as amended. In his note the Ambassador sets forth certain views of his Government regarding the adverse effects of these restrictions on the trade between the United States and Canada, the commercial policy interests of the two governments, the General Agreement on Tariffs and Trade, and on efforts of friendly countries to find solutions to their balance of payments difficulties. The Ambassador urges once more on behalf of his Government that the import restrictions imposed under Section 104 be removed as soon as possible.

The Department of State appreciates the concern expressed by the Government of Canada regarding import controls on dairy products under Section 104. The Executive Branch of this Government has opposed Section 104. In the most recent expression of its views on this subject, it was stated that Section 104 should be

permitted to expire and that there should be no extension of this provision of the Defense Production Act beyond June 30, 1953, either in standby controls legislation or in other acts of Congress. However, given the standards established in Section 104 and the situation existing with respect to dairy and other products covered by the law, the Secretary of Agriculture has had no choice but to prohibit imports of some commodities entirely and to impose quota limitations on others.

There has been one other recent development regarding the matter of import controls on dairy and the other products specified by Section 104. On April 8, 1953, the President directed the Tariff Commission to institute an investigation under Section 22 of the Agricultural Adjustment Act, as amended, on dairy and the other commodities covered by Section 104 and to report by the first of June any measures which may be necessary to prevent interference with domestic agricultural programs upon the expiration of Section 104. A copy of the Ambassador's note has been transmitted to the interested officials of the Tariff Commission for their consideration in connection with this investigation.

804. DEA/10817-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1170 Ottawa, June 30, 1953

CONFIDENTIAL. MOST IMMEDIATE.

PRESIDENT'S PROCLAMATION ON FINDINGS OF US TARIFF COMMISSION UNDER SECTION 22 RESPECTING IMPORTS OF DAIRY PRODUCTS, FATS AND OILS

Reference: My teletype No. 1157 of June 26.†

The text of a revised note to hand to the State Department follows, Text begins:

The Canadian Ambassador presents his compliments to the Secretary of State and has the honour to refer to the recent decision by the United States Government on the recommendation of the Tariff Commission to impose on July 1st severe import restrictions upon a list of important dairy products, fats and oils, under Section 22 of the Agricultural Adjustment Act.

In this connection it will be recalled that the Secretary of State, in his note of May 15, 1953 in which he indicated appreciation of the concern of the Government of Canada regarding import controls on dairy products under Section 104 of the Defense Production Act of 1950, drew attention to the enquiry which the President had directed the Tariff Commission to undertake.

The measures which are now being introduced will involve the continuation and, in some respects, be an intensification of restrictions which have hitherto applied under Section 104 of the Defense Production Act. These import restrictions have

been the subject of several communications from the Canadian Government and have been dealt with in substance at successive sessions of the Contracting Parties to the General Agreement on Tariffs and Trade. The Canadian Government is concerned that there should be further impairment, by the Government of the United States, of the principles upon which trade between Canada and the United States has been built up to the high levels which prevail at present, to the benefit of both countries.

The Canadian Government takes note that the Presidential Proclamation of June 9 states that these new controls, under Section 22 of the Agricultural Adjustment Act, are less arbitrary than their predecessors and more in conformity with the requirements of United States foreign trade and economic policy and with the reciprocal trade agreements to which the United States is a party. The Canadian Government wishes to make clear that it does not regard these new import restrictions as any more in accordance with the Trade Agreement between Canada and the United States when they are imposed under Section 22 of the Agricultural Adjustment Act than the restrictions imposed under Section 104 of the Defense Production Act. The Canadian Government notes that these new measures were proclaimed by the United States Government without advance consultation on the problems of joint concern which are thus created. In the view of the Canadian Government, international trade is of critical importance to the maintenance of prosperity in both countries. International trade is the essential basis also of the international co-operation which must be continued to secure our common defence. Agricultural policy has become a very sensitive matter in many countries in addition to the United States and trade in agricultural products constitutes a very important part of world trade. The Canadian Government is apprehensive, therefore, both at the spread of agricultural protectionism, and at the threat of dumping of agricultural products into the channels of world trade which is likely to accompany it.

The Canadian Government must refer in particular to the fact that these new measures have been proclaimed by the President of the United States under legislation which is permissive rather than mandatory in its terms and that this legislation has been amended since the date upon which the General Agreement on Tariffs and Trade came into force. The consequences of unilateral resort to such practices, on the part of important countries, is bound to raise grave problems, not only for international trade but for the whole structure of international co-operation. Text ends.

The text of the note will be issued in a Press Release for use in all papers of Wednesday, July 1st. It will be distributed to correspondents shortly after 5.00 p.m. today.

805. DEA/10817-A-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1610 Washington, July 2, 1953

CONFIDENTIAL

PRESIDENT'S PROCLAMATION ON FINDINGS OF UNITED STATES TARIFF COMMISSION UNDER SECTION 22, IMPORTS OF DAIRY PRODUCTS, FATS AND OILS

Reference: Your EX-1170.

Following for Dr. C.N. Isbister, Director, International Trade Relations Branch, Dept. of Trade and Commerce, Begins: Late Tuesday afternoon, June 30th, the note, text of which was contained in your teletype EX-1170, was handed to John Leddy, Acting Deputy Assistant Secretary of State for Economic Affairs.

2. Several points contained in the note were discussed. We made reference to the injurious effect of the new import restrictions on the dairy industry of Canada. We pointed out, for example, that production of Cheddar cheese available for export to the United States is confined mainly to Eastern Ontario and Western Quebec, and to the producers in these regions the import restrictions constitute a real hardship; that Canada's exports of cheese in the past have been made up largely of high quality mature long storage cheese, which sells at prices substantially above the United States support prices and the prevailing market prices of most of the United States production of Cheddar cheese; that the annual consumption of cheese in the United States is about 1.2 billion pounds and imports from Canada, even though they were as much as 12 million pounds annually, rather than about one half million pounds which is likely to be the Canadian proportion of the new import quotas under Section 22, would only represent about one percent of the total cheese consumption in the United States and, therefore, imports from Canada would have little, if any, effect on the price of United States Cheddar cheese and on the purchase of cheese by the United States Government. Leddy expressed interest in receiving factual information of this kind.

3. Leddy was not prepared to agree with the State that Section 22 is permissive legislation. The United States support price for butter, he said, is about 65 cents per pound, while outside the United States butter is selling much below this figure and, if imports were not controlled, the United States would be flooded with foreign butter. Under these circumstances, he said, it is mandatory on the President to regulate the imports of butter.

4. Leddy said further that it is believed that Section 22 is more flexible than Section 104. It is now possible for the President without asking Congress to request the Tariff Commission to review its findings under Section 22 and interested parties may make application for relief from the restrictions imposed. He expressed the

hope that when Congress passes the bill to extend the Trade Agreements Act for another year something might be done to modify the restrictions under Section 22. However, his answer to a question as to how this might be accomplished was far from clear. On the matter of relaxation of import controls, he said the note appeared to say that in our opinion all restrictions were contrary to undertakings which had been entered into by our two governments.

5. Leddy disclosed that he had been surprised that the Tariff Commission had recommended such small imports of Cheddar cheese. He thought the "representative period" on which the import quotas were based did not reflect "normal" imports and in his opinion larger quotas would be justified.

6. As Leddy is interested in obtaining information on Canadian production and exports of dairy products to the United States in the past, on the injury to Canadian dairymen of the present restrictions, on the quality and price of Canadian cheese available for export to the United States, and on the relation of the volume of Canadian cheese exports to cheese consumption in the United States, it would appear desirable that a statement should be prepared which would set forth these and other relevant facts which we could hand to Leddy as a supplement to the note. Thought might also be given to the desirability of preparing another note to be presented at some later time containing such information. Ends.[75]

806. DEA/10817-A-40

Le représentant permanent auprès de l'Office européen des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to European Office of the United Nations to Secretary of State for External Affairs

TELEGRAM 157 Geneva, October 2, 1953

CONFIDENTIAL

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

The plenary debate on this item took place on October 2nd. Some countries are anxious for the contracting parties to adopt a resolution on this subject. A draft has, therefore, been agreed to among all the delegations principally concerned, including the United States, and the text is contained in our immediately following telegram. Please let us know as soon as possible whether this resolution is acceptable.

2. The Americans explained the problems which have led them to the continuation of these import restrictions. Referring to studies of agricultural policies now being undertaken in the United States, they said that careful attention will be paid to the international responsibilities of the United States and they said that problems of trade in agricultural products must have an important place in reviewing session of GATT next year.

---

[75] Voir les documents 422, 423./See Documents 422-3.

3. A number of countries spoke in criticism of the United States, producing all the familiar arguments. By common agreement all participants avoided question whether United States is in contravention of GATT in imposing restrictions on dairy products under Section 22 of the Agricultural Adjustment Act.

4. We participated in the debate mainly to emphasize the points which had already been made in the American statement. Our purpose was to keep this item alive but not to flog the Americans very hard at this time. Since import restrictions are still being applied, we suggested that this item be retained on the agenda for the United States Government to report again to the 9th Session of the Contracting Parties on the action which it has taken. We expressed regret that, in spite of modifications, import restrictions continue to be applied against Canadian dairy products at substantially the same level of severity as a year ago. We thanked the American delegate for his expression of regret that damage has been inflicted on other countries by the measures adopted by the United States to solve its problems. We referred to the fact that United States exports of farm products, and of dairy products in particular, have decreased drastically since they initiated these import controls. We drew the conclusion that there is a connection between this decrease in exports and the unwillingness of the United States to import since both result from the same basic agricultural policies. We concluded by referring to agricultural products as occupying a central place in world trade. Looking forward to reviewing session we said it would be difficult, if not impossible, to carry on GATT in the future unless firm understandings can be reached with respect to these questions of agricultural trade policies which are sensitive in all countries.

807. DEA/10817-A-40

Le représentant permanent auprès de l'Office européen des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to European Office of the United Nations to Secretary of State for External Affairs

TELEGRAM 158 Geneva, October 2, 1953

CONFIDENTIAL. IMPORTANT.

UNITED STATES IMPORT RESTRICTIONS ON DAIRY PRODUCTS

Reference: My telegram No. 157 of October 2.

Following is draft resolution, Begins:

The contracting parties:

Having received the report of the United States Government requested by their resolution of November 8th, 1952, regarding certain import restrictions maintained by the United States Government;

Noting from this report that, although Section 104 of the Defence Production Act has been repealed, import restrictions of substantially the same severity continue to be applied under the United States Agricultural Adjustment Act;

Recognizing that a number of contracting parties have indicated that they continue to suffer serious damage;

Affirm the right of the affected contracting parties to have recourse to the appropriate provisions of Article XXIII while the restrictions remain in effect;

Authorize the Netherlands Government to suspend application to the United States of their obligations under the General Agreement to the extent necessary to allow them to apply a limit of sixty thousand metric tons on the import of wheat flour from the United States during the calendar year 1954;

Recommend to the United States Government that it have regard to the harmful effects on international trade relations of continued application of FAO[76] restrictions; and

Request the United States Government to report, before the opening of the 9th Session, on the action it has taken.[77] Ends.

808. DEA/10817-A-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès de l'Office européen des Nations Unies

Secretary of State for External Affairs
to Permanent Representative to European Office of the United Nations

TELEGRAM 156 Ottawa, October 8, 1953

CONFIDENTIAL

UNITED STATES RESTRICTIONS ON DAIRY PRODUCTS

Reference: Your telegrams #'s 157, 158, October 2.

Following for GATT Delegation:

We gather from UN Press Release that this question may already have been decided. We were about to advise you that the draft resolution appeared to us to be rather weak. If most of the other delegations at Geneva shared this view, we would have been prepared to support a move to strengthen the text somewhat. One way of doing this would have been to amend the last phrase of the final paragraph to read: "On the action it has taken to alleviate the damage to other Contracting Parties".

While we would have been prepared to support a general move along these lines, we do not feel strongly about the matter, and were quite prepared to give you discretion in deciding on your course of action.

---

[76] Note marginale:/Marginal note:
?

[77] Notre copie du document porte l'annotation suivante :
The following was written on this copy of the document:
to alleviate the damage to other Contracting Parties.

809. DEA/10817-A-40

L'ambassade aux États-Unis
au sous-secrétaire d'État aux Affaires extérieures

Embassy in United States
to Under-Secretary of State for External Affairs

LETTER NO. 2145 Washington, November 6, 1953

CONFIDENTIAL

UNITED STATES DAIRY RESTRICTIONS

Reference: Our teletype No. WA-2544 of the 5th of November.†

Enclosed are four copies of the reply to our Note No. 421 of the 30th of June concerning United States restrictions on imports of dairy products.

D.V. LEPAN
for the Embassy

[PIÈCE JOINTE/ENCLOSURE]

Le secrétaire d'État des États-Unis
à l'ambassadeur aux États-Unis

Secretary of State of United States
to Ambassador in United States

CONFIDENTIAL Washington, November 3, 1953

The Secretary of State presents his compliments to His Excellency the Ambassador of Canada and has the honor to refer to his Note No. 421, dated June 30, 1953, on the subject of the import restrictions imposed upon certain manufactured dairy and other products under Section 22 of the Agricultural Adjustment Act, as amended.

The Ambassador refers to an earlier Exchange of Notes between our two governments with respect to the import restrictions previously in effect for these commodities under Section 104 of the Defense Production Act of 1950, as amended, and sets forth certain views of the Canadian Government regarding the continuation of these restrictions under Section 22. The Ambassador also expresses the apprehension of his Government over the possibility that surplus agricultural commodities may enter the channels of world trade in such a way as to disrupt Canada's export trade with other countries and impair her foreign exchange earnings.

The Government of the United States wishes to assure the Canadian Government that it fully recognizes the adverse effects which import restrictions may have on the high level of trade which prevails at present between the United States and Canada. This Government intends that these restrictions shall be maintained only for such time as is necessary.

A question was raised in the note of the Canadian Government with respect to the consistency of the new import restrictions imposed under Section 22 with the General Agreement on Tariffs and Trade. During the period that has elapsed since the note was received, the Contracting Parties have considered at their Eighth Session the import restrictions in question and have adopted a resolution on this subject. In accordance with this resolution, this Government will have regard for the harmful effect the continued application of these restrictions may have on international trade relations and will report on the action which it has taken regarding this matter before the opening of the Ninth Session.

As the Ambassador knows, the operation of our domestic agricultural programs is now under review in the United States. One of the most important issues in this field is the relationship between our domestic agricultural programs and the foreign trade objectives of the United States. It is hoped that some policy recommendations will be developed relating to this question as a result of this general review. In the case of dairy products, a special dairy industry advisory committee has been established by this Government for the purpose of considering the effects of the operation of the present price support program and to make recommendations for the solution of the surplus dairy products problem before the opening of the 1954-1955 marketing year.

With respect to the disposal of surplus agricultural products, this Government shares the concern of the Canadian Government that surplus agricultural products not be distributed in such a way as to injure the normal trade of friendly countries. It may be noted that Section 550 of the Mutual Security Act of 1953, which provides for the disposal of surplus agricultural products, specifies that special precautions shall be taken to insure against the substitution or displacement of commodities in the export trade of friendly countries through the operation of United States surplus disposal programs. It is the intention of this Government to prevent such disruption of normal trade not only with respect to surplus disposal operations under Section 550 but also under the Emergency Famine Relief Act. Moreover, the United States Government intends to consult with the Canadian or any other friendly Government whenever in doubtful cases such disposal programs might conflict with the usual trade of these countries.

SECTION C

PRODUITS CARNÉS
MEAT PRODUCTS

810. DEA/6780-40

Note de la Direction économique
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Economic Division
to Under-Secretary of State for External Affairs

SECRET [Ottawa], February 26, 1953

UNITED STATES TARIFF QUOTAS ON CATTLE IMPORTS

Yesterday afternoon Messrs. Willoughby and Nyhus[78] of the US Embassy met in my office with a group of officials from the various departments concerned here to inform us of action which was being considered in Washington regarding the tariff quotas negotiated at Geneva.

2. As you will be aware, up to 200,000 head of cattle weighing under 200 pounds each and up to 400,000 of non-dairy cattle weighing 700 pounds each or more may be admitted into the United States during a 12-months period beginning on April 1 of any year at a duty rate of only 1½¢ per pound. This compares with the normal rate of 2½¢ per pound. In the case of the cattle weighing 700 pounds or more it is also stipulated in the concession negotiated at Geneva that, of the 400,000 admissible at the lower rate of duty, not more than 120,000 head can be admitted in any one quarter of the 12-month period. You will probably also recall that these quota limits were temporarily suspended until the termination of the unlimited national emergency proclaimed in 1941 *and* until the "abnormal situation" in respect of cattle and meats has also terminated.

3. Willoughby explained that the unlimited national emergency had been officially terminated about a year ago and that, in the view of US officials, the abnormal marketing situation envisaged in the original suspension had also come to an end. The general shortage of cattle and meat had now more or less disappeared as evidenced by the decline in beef prices in the United States. Accordingly, the International Trade Agreements Committee in Washington had come to the conclusion that the suspension of the quota limits could no longer be justified and they proposed to submit a recommendation to the President today (February 26) that he should declare the termination of the "abnormal situation" referred to in connection with this tariff item.

4. The point on which Willoughby and Nyhus particularly wished to consult us related to the timing of the announcement of any decision by the President on this matter. In certain quarters in Washington there is an inclination to have this an-

[78] Paul O. Nyhus, attaché (Agriculture), ambassade des États-Unis.
Paul O. Nyhus, Agriculture Attaché, Embassy of United States.

nouncement made at the same time as (or possibly a day or two before) the announcement regarding the opening of the US border to Canadian cattle (i.e. March 1 — or possibly February 28 or March 2 since the 1st of March is a Sunday). The termination of the suspension would then become effective 30 days thereafter which would come very near to the beginning of the quota year on April 1. Others in Washington feel that the coincidence of these two announcements might lead to misunderstandings and to charges that, while the US was opening the door with one hand, it was closing it with the other. It also seems to them to be unwise to associate an announcement concerning quarantine measures with an announcement relating to commercial policy. They consider that the US should get the full benefit from its decision to open the border before incurring criticism for reimposing tariff quotas. On balance, however, opinion in Washington appears to favour the issuance of the quota announcement separately from but simultaneously with — or shortly before — the other announcement. Those who have been concerned about the possible linking of these two actions, which might appear somewhat contradictory, are apparently coming around to the view that, while there may be some arguments against simultaneous announcements, a postponement of the quota announcement would be likely to have even more undesirable effects. The mere delay of the announcement would not really be successful in dissociating it from the opening of the border. In fact, if the quota announcement were to be made after the border had been opened, it would probably be represented by unfriendly critics as something done in response to pressure from US cattle interests who were beginning to feel the effects of the open border. If the two announcements were made about the same time the quota announcement would probably be overshadowed by the other.

5. The general feeling on the Canadian side was that the US would be justified by the facts of the situation and by the terms of the Geneva agreement in bringing the suspension of the tariff quotas to an end in present circumstances. It was also generally felt that it would be preferable to have the two announcements made on the same day but that it might be not too unsatisfactory if the quota announcement were to be made a day or so in advance. It was agreed that it would be most unfortunate to delay this announcement until after the border had been opened for some time (although we would certainly not wish to see the opening of the border postponed in order to allow time for the preparation of a simultaneous announcement regarding tariff quotas). The Canadian officials felt that in any explanation here of the US action on tariff quotas it would be desirable to point out that:

(a) These tariff quotas bear no resemblance to the import quotas applied by the US to dairy products, particularly since even after the limits of the quotas have been passed cattle would still be admissible at a rate of duty which would not be prohibitive.

(b) The right of the US to reimpose these tariff quotas in circumstances such as those which now existed was specifically recognized in the schedules to the General Agreement on Tariffs and Trade.

(c) The quota limits accepted by the US in the Geneva agreement are considerably more liberal than those in effect before that agreement was negotiated (in the case of heavy cattle some 400,000 head compared with 225,000 head previously).

(d) Quotas on the present scale are not likely to be exhausted by the limited volume of imports which can be expected for some time after the re-opening of the border; (the 400,000 head ceiling is likely to be adequate to accommodate normal sales to the US although in the latter part of the year some slight difficulty may result from the quarterly limit of 120,000 head).

(e) There is no tariff quota or other type of quota on imports of beef which are admissible at a moderate rate of duty. (Cattle can therefore be sold to the US freely as beef if they cannot all be sold on the hoof).

6. Willoughby undertook to give us as much advance notice as possible of the eventual timing of their announcement concerning the tariff quotas in order that steps may be taken to provide guidance to the press here. The Department of Agriculture, in consultation with Trade and Commerce, will prepare a statement or press release incorporating some of the points listed above.

7. Pearsall[79] asked whether the quotas would be divided among Canada, Mexico and other suppliers as they used to be. Willoughby said that, according to the information which he had, the quotas would be kept general for the first quarter and probably no attempt would be made to divide them by sources at least until the third quarter of the first 12-month period.

A.E. RITCHIE

CANADIAN OFFICIALS PRESENT

Department of Agriculture
Mr. L.W. Pearsall
Dr. A.E. Richards

Department of Trade and Commerce
Mr. G.R. Paterson
Mr. B.G. Barrow

Department of Finance
Mr. J.J. Deutsch
Mr. S.S. Reisman

811. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], February 26, 1953

LIVESTOCK AND MEAT; REMOVAL OF IMPORT CONTROLS

1. *The Minister of Trade and Commerce* recommended that the control on the importation of livestock and meat into Canada, which had been provided following

[79] L.W. Pearsall, directeur du service de commercialisation, ministère de l'Agriculture.
L.W. Pearsall, Director, Marketing Service, Department of Agriculture.

the imposition of the US embargo on livestock and meat from Canada, be removed at the time the US embargo was lifted.

It was pointed out that the US embargo would probably be lifted about March 3rd. The removal of the import control would not affect the prohibition on the importation of live hogs and pork which the Department of Agriculture maintained for health reasons.

2. *The Cabinet* approved the recommendation of the Minister of Trade and Commerce and agreed that Order-in-Council P.C. 2757 of May 30th, 1951, as amended, be further amended, effective on the date on which the US government removed the prohibition on imports of livestock and meat from Canada, by deleting the items concerning livestock and meat and meat products from the list of goods to which the Export and Import Permits Act applies; an Order-in-Council to be passed accordingly.

(Order-in-Council P.C. 1953-297, Feb. 26)†

. . .

812. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], March 2, 1953

. . .

FOOT AND MOUTH DISEASE; LIFTING OF US EMBARGO ON CANADIAN MEAT

5. *The Minister of Agriculture*, referring to discussion at the meeting of February 26th, reported the US Government had removed the embargo which had been imposed against Canadian meat and meat products following the outbreak of foot and mouth disease early in 1952 in the Province of Saskatchewan; and stated that he proposed to make an appropriate announcement in the House of Commons that afternoon.

6. *The Cabinet*, noted the report by the Minister of Agriculture and agreed that an appropriate announcement be made by the Minister that afternoon in the House of Commons.

J.W. PICKERSGILL
Secretary to the Cabinet

813. DEA/11485-A-40

Note de la Direction économique

Memorandum by Economic Division

[Ottawa], May 5, 1953

SALE OF NEW ZEALAND BEEF IN THE UNITED STATES FOR CANADIAN ACCOUNT

In May 1952 Canada entered into an arrangement with New Zealand and the United Kingdom whereby Canadian beef, which was bought by the Canadian Government at the price support level, was shipped to the United Kingdom in exchange for New Zealand beef which in turn was sold by Canada in the United States. Canada initiated the negotiations which led to this agreement because of rapidly accumulating stocks of beef owing to the embargo placed by the United States on imports of Canadian livestock and meat at the time of the outbreak of foot and mouth disease in Saskatchewan.

2. Under the Agreement the United Kingdom paid New Zealand in sterling at the existing New Zealand-United Kingdom contract rates, and Canada received the proceeds from the sale of the New Zealand product in the United States. As the New Zealand meat had to be exported frozen, it was evident that it would realize less in the United States than would have been received for the fresh Canadian product. However, as the normal plans of the United Kingdom and New Zealand for meat deliveries were upset by the arrangement, Canada undertook to recompense New Zealand for the trouble involved and to share with New Zealand half of the difference between the United Kingdom contract price for New Zealand beef and the price obtained in the United States market. All three countries benefited from the arrangement, Canada obtained an enlarged market for surplus beef and a difficult marketing problem was substantially eased; New Zealand received a higher return for her meat; and the United Kingdom benefited with an increased meat supply because the additional revenue which accrued to New Zealand was used to purchase more meat in Canada for the United Kingdom.

3. A number of difficulties in merchandising the beef in the United States resulted in sales being extended over a rather protracted period. In addition to the problem of marketing frozen carcass beef where consumers are used to fresh beef, the United States price level for beef was falling at this time. The Office of Price Stabilization grading requirements occasioned certain additional delays. During the period August to November 1952 some 59.5 million pounds of New Zealand beef was shipped to the United States under the scheme. In May 1953, 3 million pounds remained unsold in the United States. A final accounting on the financial loss to the Canadian Government from this arrangement therefore is not yet possible but it is evident that the whole operation was not particularly profitable although it probably cut our losses from what they would have been if no other marketing arrangement had been made. The Canadian Government and people have greatly appreciated the

helpfulness of the United Kingdom and New Zealand Governments in making the arrangement.

A.E. RITCHIE

SECTION D

GAZ NATUREL
NATURAL GAS

814. DEA/5420-40

Extrait d'une note de la Direction de l'Amérique pour le sous-secrétaire d'État aux Affaires extérieures

Extract from Memorandum from American Division to Under-Secretary of State for External Affairs

RESTRICTED [Ottawa], March 7, 1953

EXPORT OF NATURAL GAS: WESTCOAST TRANSMISSION COMPANY: FPC PROCEEDINGS

. . .

2. Briefly, the background of the situation is as follows: The Westcoast Transmission Company Limited has obtained an Order from the Board of Transport Commissioners to construct a pipeline from the Northern Alberta and Northern British Columbia area to Vancouver and to the United States boundary, for the transmission and export of gas. The area of the source of this gas is the newly proven field straddling the Alberta-British Columbia boundary, stretching north of the Peace River almost to the Northern borders of the provinces. There is no market in Canada for the gas in this very extensive field as it would be more economical to supply the built-up areas of Alberta as well as other areas in Canada from the Southern Alberta gas fields. Moreover, the oil in the area could not be tapped without allowing the gas to escape in the process. In these circumstances, the gas must either be wasted or exported to the Northwestern United States and to the relatively small market in Vancouver.

3. The difficulty the Federal Power Commission is faced with in licencing the arrangements for importing this gas into the Northwestern United States arises from the provisions of the Electricity and Fluids Exportation Act and regulations which were drafted to meet entirely different situations but which require that export licences be issued on an annual renewable basis and which provide for the levying of an export tax at the discretion of the Minister of Trade and Commerce of up to one-third of the value of the commodity at the border. In these circumstances, it has been argued before the FPC that the Commission cannot be sure that Westcoast will be able to carry gas across the border beyond the end of each fiscal year in which the licence is issued and in view of the possible export tax, Westcoast cannot establish a firm price. The FPC, on the other hand, is required to find that gas will be available in sufficient quantities, for a sufficient period and at a price which will

enable the company and the distribution agency to amortize its investment over a 20-year period.

4. It would appear that it is in the national interest of Canada to support Westcoast's application to the FPC and this has already been done to a limited extent when the Embassy in Washington, after discussions with Mr. Howe, sent a note to the State Department stating that the Canadian Government "regards favourably the proposal of the Westcoast Transmission Company" and that an export permit would be issued. However, it now appears that something more than this is required and the attached letter† suggests that we will co-operate with Trade and Commerce in this regard.

E.A. CÔTÉ

815. C.D.H./Vol. 30

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-539 Ottawa, March 28, 1953

SECRET. IMPORTANT.

Following for the Canadian Ambassador from Howe, Begins: There is a rumour here in Ottawa that the Tennessee Gas & Transmission Co. has been authorized by the Federal Power Commission to deliver gas into Canada. This rumour is most disturbing to those interested in the project of bringing gas from Alberta to the Toronto area.

I have been asked by Mr. Frost to find out the facts and to discourage this project, which interferes with the satisfactory solution of the fuel situation in Ontario and in Alberta. I will appreciate any information you can send me and trust that our attitude at Washington will not be helpful to the project of Tennessee Gas. Ends.

816. DEA/5420-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-783 Washington, March 30, 1953

SECRET. IMPORTANT.

IMPORT OF NATURAL GAS TO CANADA

Reference: EX-539 of March 28.

Following for Mr. Howe from the Ambassador, Begins: The Federal Power Commission has before it an application by the Tennessee Gas Transmission Company and by the Niagara Gas Transmission Limited to export United States natural gas to Canada. However, the FPC has not yet taken any decision on the matter.

2. The Niagara Gas Transmission Limited is a Canadian concern with offices at 55 Adelaide Street, E., Toronto. The application before the FPC requests a permit for the exportation by the Tennessee Gas Transmission Company of natural gas from the Gulf Coast area to the Niagara Gas Transmission Limited in Canada, for the purpose of serving Toronto, Hamilton, Ottawa, Montreal, and other cities in Ontario and Quebec. This application was submitted in March 1952. A companion application requests authority to construct and operate facilities costing about $45 million at the International Boundary near Niagara for delivery of the natural gas to the Niagara Gas Transmission Limited.

3. These applications to export natural gas to Canada were initially consolidated for the purposes of the hearings with the Westcoast Transmission Company's application to import natural gas from Alberta and British Columbia to Washington and Oregon. Later in 1952 the two cases were severed for administrative convenience. They still remain separate, but the Tennessee Gas Transmission Company's application has been consolidated with other applications by the same company having to do with the transmission of natural gas to the New England States. In its application, the Tennessee Company has attempted to tie in its case with the Westcoast Transmission Company's application. It states:

"Even if it were feasible to build a pipeline from the Alberta fields across Canada to these markets in Ontario and Quebec, such a project would preclude the use of Alberta reserves to supply Pacific Coast markets which logically should be served from these reserves."

4. The TransCanada PipeLines Limited of Calgary, Alberta, has been an active intervenor in the Tennessee Company's application. It filed in 1952 a number of unsuccessful motions to dismiss the application, and stated that it intended to construct a 2100 mile pipeline from Alberta to Montreal and Ottawa at a cost of $253 million, thus serving the area in question.

5. Petitions to intervene were also filed by the Union Gas Company of Canada, the British Columbia Electric Company Limited, and the Quebec Hydro-Electric Power Commission. We have not yet been able to ascertain what attitude, if any, these concerns have taken in this case.

6. The present position of the Tennessee Company's application is as follows: Hearings in the FPC are presently continuing on the New England gas transmission cases with which the application to export gas to Canada has been consolidated. When these hearings are terminated, probably by April 6, or April 13, the hearings on the export of natural gas to Canada, will be commenced. Ends.

817. DEA/5420-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-649 Ottawa, April 15, 1953

IMPORTANT

Following from C.D. Howe to Canadian Ambassador Washington, Begins: With reference to the application of Westcoast Transmission Company Limited, Calgary, first export licence issued by Federal Government called for a renewal annually. It is appreciated that this is causing difficulty in the case of export of natural gas, where a long-term investment by the purchaser is necessary.

2. The Canadian Electricity and Fluid Exportation Act regulations were designed to govern export of electricity and fluids such as oil or wood pulp in solution and it was appreciated that revision of the regulations was desirable to govern export of natural gas.

3. Consequently the regulations issued under authority of the Electricity and Fluid Exportation Act have been revised by Order-in-Council of fourteenth April to provide that every licence shall be valid for such period as may be specified by the licence.

4. A new export licence is being issued to Westcoast Transmission Company Limited under today's date in form similar to licence now in their possession except that term of the licence is for twenty-two (22) years. The effect will be that any purchaser will be guaranteed a firm contract covering supply of gas from Peace River area of British Columbia and Alberta for twenty-two (22) years.

5. Am mailing you today certified copy of following documents:

(a) P.C. 1953-562,†

(b) P.C. 1953-563†

(c) Amended licence to export surplus natural gas issued to Westcoast Transmission Company Limited this day.†

6. It is important that copy of this message and copy of documents being mailed to you be delivered to the Federal Power Commission and to Attorney for Westcoast Transmission Company Limited as soon as possible. Your help in this matter will be greatly appreciated. Ends.

818. C.D.H./Vol. 30

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-922 Washington, April 16, 1953

RESTRICTED

IMPORT OF NATURAL GAS TO CANADA

Reference: My WA-783 of March 30.

Following for Mr. Howe from the Ambassador:

1. The FPC hearings of which we informed you are expected to begin on April 20 to consider the application by Tennessee Gas and by the Niagara Gas Transmission companies to export gas to Canada. The course of the hearings will probably be:— companies' testimony; consideration of the question of transmission to New England; a recess of about two weeks; cross-examination; rebuttal; and finally the Examiner's report or direct argument before the Commissioners probably some time in May.

2. We have not had a chance to oppose the application actively and I do not read your message as asking that of us. The situation is that a private United States company is asking the Federal Power Commission for the right to export natural gas from the United States. The FPC is likely to grant the right to export if they find that the gas is surplus to United States needs, much as the Westcoast Transmission Co. Ltd. has been licensed to export from Canada gas surplus to Canadian needs. In both countries, of course, the question of whether gas should be *imported* and who should distribute it is argued before the proper domestic authorities, taking into account the domestic supply and demand position and the merits of the competing claims for the market. This is the sort of battle in which Westcoast Transmission is now engaged before the FPC.

3. Open intervention by the Canadian Government against the Tennessee Company's attempt to get from its own government the right to export would not be likely to affect the issue much, and it might hurt the Westcoast Company in its fight to enter the United States market.

4. In any event, TransCanada PipeLines Ltd. is an active intervenor and it could put the facts before the FPC. Furthermore we are told the Tennessee Company has its hands full servicing areas in the United States, so that there is a good chance the FPC will decide there is nothing to spare for export.

819. DEA/5420-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affaires to Ambassador in United States

TELEGRAM EX-667 Ottawa, April 17, 1953

CONFIDENTIAL

IMPORT OF NATURAL GAS TO CANADA

Following for the Ambassador from Howe:

1. Thanks for your despatch of April 16th regarding hearings on application of Tennessee Gas to export gas to Canada.

2. While we hope that application will not be approved since it would tend to delay gas line from Alberta to Toronto I do not recommend any intervention on your part. I agree with your suggestion that intervention would be harmful to application of Westcoast Transmission Company Limited.

3. I am told that new appointment to FPC is favourable both to New York State application and to Westcoast Transmission Company Limited. Perhaps you will think it wise to call on him and discuss Canada's interest in these two applications.

4. I greatly appreciate your assistance in these matters. Ends.

820. DEA/5420-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELEGRAM WA-942 Washington, April 17, 1953

IMPORTANT

EXPORT OF NATURAL GAS FROM CANADA — WESTCOAST TRANSMISSION COMPANY'S APPLICATION TO FPC

Reference: Your teletype EX-649 of April 15th.

Following for Mr. Howe from the Ambassador, Begins: A copy of your message of April 15th and of the three documents mentioned in it were sent immediately on receipt to D.P. MacDonald, attorney for the Westcoast Transmission Company, and to the State Department for transmittal to the Federal Power Commission.

2. We have been in close touch with MacDonald and he tells us that he was able to have the exhibits established before the receipt of the documents themselves on the strength of your message.

3. As you may have heard, the hearings were adjourned yesterday by the Examiner, Glen Law, until May 25th and he has let it be known that the reason is to allow him to prepare his report to the FPC on New York State Power Authority's application in the St. Lawrence Project hearings. Ends.

821. C.D.H./Vol. 30

Le ministre du Commerce à l'ambassadeur aux États-Unis

Minister of Trade and Commerce to Ambassador in United States

TELEGRAM Ottawa, May 5, 1953

We in Canada that are responsible for national policy on distribution of natural gas from Canadian sources are disturbed by possibility that Tennessee Transmission may receive authority from Federal Power Commission to deliver gas in Toronto. Premier Frost of Ontario and his officials have made representations to me but I have had to say that there is no federal law that justifies this Government in intervening at Washington hearings. If you can see your way to indicate informally to members of FPC the Canadian attitude it would be helpful. Mr. Schultz of Trans-Canada PipeLines Limited will be in Washington tomorrow and would like to explain his position to you. I hope you will grant him an interview.

C.D. HOWE

822. DEA/5420-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1098 Washington, May 5, 1953

CONFIDENTIAL

IMPORT OF NATURAL GAS TO CANADA

Reference: Your telegram of May 4.†

Following for Mr. Howe from the Ambassador, Begins: I received your telegram of May 4 and saw Mr. Schultz this morning. I have now arranged that Edward Burling, the Counsel who represents us before the Federal Power Commission in the New York hearings, will make known as soon as possible to the FPC Counsel acting in the Tennessee case the Canadian attitude.

2. Burling knows the Counsel well and considers this will be an effective informal way to make known the Canadian views to the examiner in the case as well as to the Commissioners themselves. Ends.

823. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], May 11, 1953

. . .

WESTCOAST TRANSMISSION COMPANY LIMITED; LICENCE FOR EXPORT OF ADDITIONAL SURPLUS NATURAL GAS

12. *The Minister of Trade and Commerce* reported that, by Orders-in-Council PC 4323 and PC 4324 of October 23rd, 1952,† licences had been issued to the Westcoast Transmission Company Limited of Calgary, Alberta, to construct a gas pipeline and to export through that line certain specified quantities of surplus natural gas to the United States. A further application had now been submitted by the Company for the construction of a branch line to supply surplus natural gas to an additional market area lying between the Rocky Mountains and the Cascade Mountains in the United States.

He was of the view that the construction of the proposed branch line and the exportation of additional surplus natural gas by the Company was in the best interests of Canada and recommended that licences be granted accordingly.

13. *The Cabinet* agreed that the Westcoast Transmission Company Limited of Calgary, Alberta, be granted licences to construct a branch line to supply additional surplus natural gas to a market area lying between the Rocky Mountains and the Cascade Mountains in the north-west United States; Orders-in-Council PC 4323 and PC 4324 of October 23, 1952, to be amended accordingly.

(Orders-in-Council PC 1953-742 and 743, May 11)†

. . .

824. DEA/5420-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1647 Washington, July 8, 1953

FPC HEARINGS ON EXPORT OF NATURAL GAS TO CANADA — TENNESSEE GAS TRANSMISSION COMPANY AND NIAGARA GAS TRANSMISSION LTD.

Please repeat to Oliver Master Trade and Commerce.

The six parties, including Tennessee Gas Transmission Company, to the proceedings involving natural gas service in New England, have had the date of July 9 for oral argument postponed to July 17 to permit filing of comments or briefs on a

proposed settlement of the issues. The proposed settlement is the result of several conferences between the companies concerned.

2. One provision of the settlement which directly concerns us is that which would authorize Tennessee and Niagara Gas Transmission Limited of Toronto to carry out their plan for the export of natural gas from the Southwestern United States to Canada.

3. Applications for hearing in oral argument before the FPC on the seventeenth must be filed by July 15.

825. DEA/5420-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1368 Ottawa, August 6, 1953

CONFIDENTIAL. IMMEDIATE.

NATURAL GAS — APPLICATION OF THE TENNESSEE TRANSMISSION COMPANY AND THE NIAGARA PIPE LINES COMPANY TO THE FEDERAL POWER COMMISSION

Following for the Ambassador, Begins: The Minister of Trade and Commerce has received the following telegram, signed by The Hon. L.M. Frost, Premier of Ontario: Quote

The Ontario Government requests that steps be taken to have the Federal Power Commission's decision on the application of the Tennessee Transmission Co. and the Niagara Pipe Lines Co. to bring natural gas to Ontario be postponed until it is finally determined whether it is economically feasible to bring Alberta gas to Ontario. Unquote.

Mr. Howe has asked that this message be forwarded to you immediately as Mr. Ross Tolmie of Ottawa, who will be in Washington today, would like to discuss the subject with you.

2. For your own information, Mr. Howe has given us the text of Mr. Frost's telegram under cover of a memorandum to the Under-Secretary as follows: Quote

Enclosed is a copy of a telegram from Premier Frost which should, in my opinion, be transmitted to the Federal Power Commission. Mr. Frost wrote an earlier letter which was too vague to be important, but now he seems to have made up his mind.

There is no doubt that service from the Tennessee Transmission Company to the City of Toronto would seriously interfere with the projected trans-Canada pipeline from Alberta. Any steps that External Affairs feels could be appropriately taken to delay the application by Tennessee Transmission Company would, in my opinion, be justified. Unquote.

3. You will also find it useful, before seeing Mr. Tolmie if possible, to refer to the following messages among others on your files:

WA-783 of March 30, 1953
EX-667 of April 17, 1953
WA-1098 and WA-1099 of May 5, 1953,† and
WA-1647 of July 8, 1953.

Mr. Norman Chappell, Director of the Office of Defence Production in Washington, is also familiar with the various ramifications of this complicated issue.

4. You will appreciate the difficulties in the way of making formal representation.

826. DEA/5420-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1911 Washington, August 6, 1953

CONFIDENTIAL. IMPORTANT.

NATURAL GAS — APPLICATION OF THE TENNESSEE TRANSMISSION COMPANY AND THE NIAGARA PIPE LINES COMPANY TO THE FEDERAL POWER COMMISSION

Reference: Your EX-1368 of August 6.

Following telephone conversation between Cox and Pierce, we have today sent the following letter to the Chairman of the Federal Power Commission: Quote

Dear Mr. Chairman,

The Canadian Minister of Trade and Commerce, the Right Honorable C.D. Howe, has asked us to transmit to you the following telegram which he has received from the Honorable Leslie M. Frost, Prime Minister of Ontario:

"The Ontario Government requests that steps be taken to have the Federal Power Commission's decision on the application of the Tennessee Transmission Co. and the Niagara Pipe Lines Co. to bring natural gas to Ontario postponed until it is finally determined whether it is economically feasible to bring Alberta gas to Ontario".

Yours sincerely,

SYDNEY D. PIERCE
Minister

Unquote.

2. Burling our Counsel in the St. Lawrence hearing, who has had a good deal of experience in FPC procedures, considers this course appropriate.

827. DEA/5420-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2049 Washington, September 3, 1953

RESTRICTED. IMPORTANT.

NATURAL GAS — APPLICATION OF THE TENNESSEE TRANSMISSION COMPANY AND THE NIAGARA PIPE LINE LIMITED TO THE FEDERAL POWER COMMISSION

Reference: Our WA-1911 of August 6.

We received late yesterday copy of FPC's opinion No. 261 authorizing the Tennessee Gas Transmission Company and the Niagara Gas Transmission Limited to export natural gas from the United States to Canada and to construct and operate the necessary facilities in accordance with their amended joint application. The opinion was adopted on August 27 and issued September 1st. Commissioner Smith filed a dissenting opinion.

2. The FPC's opinion specifies among other conditions that the export authorization will not become effective "unless and until a Presidential Permit is issued".

3. Dean Brown from the State Department explained to us that this condition is "formal" one which is always included in FPC's approvals of international projects coming under the United States Natural Gas Act. The Presidential Permit is normally issued approximately at the same time as the FPC's order. In this case, however, it has not yet been issued and due to some minor changes suggested by the State Department [to] the draft Presidential Permit prepared by the FPC, it may take some time before the Permit is issued. Brown made clear that there is no doubt as to the issuance itself and that, further, the Permit will involve no substantial changes [to] the FPC's authorization.

4. Referring to contentions that such gas export might impair or destroy the economic feasibility of an all-Canadian pipeline across Canada from Alberta, the Commissioners state that "they have no jurisdiction or authority over such a pipeline" and that their "decisions under the Natural Gas Act obviously cannot extend to those essential determinations. . . ."

5. Mr. Howard, from Covington and Burling told us that although he is not particularly conversant with this gas export application he thinks the usual FPC rules of procedure will apply and that, therefore, opponents, if there are any, will have thirty days to file their petitions for rehearing. He could not say, however, if these thirty days would be counted as from the date of the issuance of the FPC's opinion or as from the date of the issuance of the Presidential Permit.

6. We have forwarded to you a copy of the FPC's opinion by bag to-day. We have also forwarded copies of letters and teletypes sent by Mr. N.R. Chappell to Dr. John Davis of Defence Production.

828. DEA/5420-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2116 Washington, September 15, 1953

RESTRICTED. IMMEDIATE.

NATURAL GAS — APPLICATION OF THE TENNESSEE GAS TRANSMISSION COMPANY TO THE FEDERAL POWER COMMISSION

Reference: Our teletype WA-2049 of the 3rd September.

In accordance with a request made by Cox to LePan over the telephone yesterday, we are forwarding in our immediately following teletype the text of Executive Order No. 10485 of the 9th of September.† You will see that the effect of this order is to make it unnecessary for the President to issue permits for the export of electric power or natural gas and to vest final authority for issuing permits in the hands of the Federal Power Commission, provided that it has obtained favourable recommendations from the Secretary of State and the Secretary of Defense.

2. In the case of the application from the Tennessee Gas Transmission Company, concurrence in writing from the Departments of State and Defense to the issuance of a permit had been obtained before the FPC's order was issued on the first of September. (When we sent our previous telegram on this subject, the State Department did not know that the Department of Defense had already concurred.) Moreover, on the 11th of September the FPC under the enlarged authority granted it on the 9th of September issued a permit to the Tennessee Gas Transmission Company for the "construction, maintenance and connection of facilities at the United States-Canadian border for the export of natural gas to Canada". So far as the FPC and the Executive Branches of the United States Government are concerned, the matter is now concluded, except for consideration by the FPC of the application for rehearing which was filed by TransCanada PipeLines Limited on the 9th of September. It is expected that this application will be denied.

829. DEA/5420-40

L'ambassadeur aux États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador in United States to Secretary of State for External Affairs

TELEGRAM WA-2174 Washington, September 24, 1953

UNITED STATES GAS EXPORT — FPC HEARING

Reference: Our WA-2116 of September 15, 1953.

The FPC adopted on September 18, 1953, and issued on September 22, order No. G. 1921-22-69 denying the TransCanada PipeLines Limited petition for rehearing on September 9, 1953, in the matter of the Tennessee Gas Transmission Company, on the grounds "that the petition did not present any question of fact law or matter of policy that had not been already fully considered". We will forward copies of the new order to you by bag tomorrow.

830. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], October 28, 1953

. . .

NATURAL GAS; DOMESTIC AND EXPORT POLICY

1. *The Prime Minister* said he had discussed with the Premier of Alberta the question of outlets for natural gas produced in that province.

The Petroleum and Natural Gas Conservation Board had concluded its hearings on the possible eastward movement of gas in Canada and its export to the United States. A report from the Board to the government of Alberta could be expected in a few weeks.

Mr. Manning agreed that it would be in the national interest for gas produced in Canada to be used, as far as possible, by Canadians but he doubted whether those concerned in the all-Canadian pipeline project could secure adequate financial backing for their enterprise. In the circumstances, it might be wise for the various potential operators to consider merging their activities. The market in southwestern Ontario, and particularly in the Toronto area, was a substantial factor in affecting any decision on the movement of gas from Alberta. Pending construction of an all-Canadian pipeline, the Premier thought a barter arrangement with United States interests might be considered. The Minneapolis area could take substantial quantities of gas from Canadian sources and, in return, the Toronto area might be supplied from the United States. In this connection, the Consumers Gas Company had bought gas *in situ* in the United States and were contemplating the employment of a

Tennessee gas company to pipe it to the Toronto area. Meanwhile, as substantial quantities of gas were not being used, wells were being capped, exploration was slowing down and funds in the United States and Canada for investment in Alberta were not being employed. When the report of the Board was received, Mr. Manning would like to discuss the whole matter again with Federal authorities.

2. *In the course of discussion*, it was pointed out that the Consumers Gas Company of Toronto had only purchased an option on the gas in the United States. The proposal whereby the Minneapolis area would be temporarily provided with Canadian gas would involve construction of a pipeline some 400 miles in length. Such an investment would mean that gas would have to go to that market over a good many years in order to pay for it. For that and other reasons a gas supply on an uninterruptible basis for some years would have to be assured.

3. *The Cabinet* noted the report of the Prime Minister on discussions he had had with the Premier of Alberta concerning the possible movement of gas from Alberta to Eastern Canada and to the United States.

831. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], December 10, 1953

. . .

EXPORT OF NATURAL GAS; WESTCOAST TRANSMISSION COMPANY LTD.

35. *The Prime Minister* said that the Minister of Trade and Commerce had proposed that an increase be made in the volume of gas which the Westcoast Transmission Company Ltd. had been authorized to export. In the compilation of the revised export figures, the future requirements of British Columbia had been fully protected.

36. *The Cabinet* agreed that the volume of natural gas authorized for export by the Westcoast Transmission Company Ltd. be increased as recommended; an Order-in-Council to be passed accordingly.

(Order-in-Council PC 1953-1929, Dec. 10)†

SECTION E

PLOMB ET ZINC
LEAD AND ZINC

832. DEA/3300-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1024 Washington, April 27, 1953

CONFIDENTIAL. IMMEDIATE.

LEAD AND ZINC DUTIES

Following for Mr. Howe from the Ambassador, Begins: Acting on your letter of April 17, we called on the State Department and emphasized our great concern at the harm which measures now before Congress threatened generally to our trade and to our trade relations with the United States and specifically to producers of lead and zinc.

2. Pierce, LePan and Allen[80] saw Harold F. Linder, Assistant Secretary of State for Economic Affairs at the State Department on April 24. They did not have to convince Linder that the present measures would be harmful to us, to others and to the United States itself. Linder was a most vigorous, courageous and effective spokesman for freer trade in his recent appearances before Congressional Committees. Hence we did not have to repeat the general arguments against the Simpson and other measures or the specific arguments against the provisions relating to increasing the lead and zinc duties. We could and did associate ourselves with the arguments which Linder himself had ably advanced.

3. We did, in addition, point out to Linder that the proposals to increase lead and zinc duties were glaringly inconsistent as well with the accepted principles of the industrial defence of our two countries. We recalled that it was only a few months ago that Charles Wilson, Manly Fleischmann,[81] Samuel Anderson,[82] Joe Fowler[83] and many others concerned with the United States defence effort had urged Canada with great insistence to increase the supply of critical materials, including lead and zinc, to the United States; to remove all possible obstacles to the flow of these materials across the border; and to divert to the United States from established

[80] S.V. Allen, conseiller (Commerce), ambassade aux États-Unis.
S.V. Allen, Commercial Counsellor, Embassy in United States.

[81] Administrateur de la Defense Production Administration des États-Unis.
Administrator, Defense Production Administration of United States.

[82] Secrétaire adjoint au Commerce (Affaires internationales) des États-Unis.
Assistant Secretary of Commerce for International Affairs of United States.

[83] J.W. Fowler, directeur de la Defense Supply Management Agency des États-Unis.
J.W. Fowler, Director, Defense Supply Management Agency of United States.

long-standing markets. Special meetings of the Joint Industrial Mobilization Committee had been held and special visits to Canada. We recalled to Linder that voicing the fears of our producers who were mindful of the past, we had questioned whether the United States interest was likely to persist beyond the most critical period. We were assured at that time that since the dependence of the United States upon outside sources for raw materials had now been recognized, its attitude had once and for all changed, and we could now reasonably count on the United States as a continuing market.

4. But Linder needed no convincing. He said he would, and we are sure he will, do everything he can to defeat the legislation. He assured us the entire administration is opposed to it in varying degrees.

5. In answer to our question, he thought it would not be helpful for us to make further or more formal protests at this time. He added, though, that the time might come when such protests would be useful. Nonetheless he considered that it would be timely and fitting if the Prime Minister mentioned Canada's concern to the President during his visit.

6. Linder asked us to give the State Department all the information we could on the effect of the increase of duties on Canadian exports and on the Canadian industry. Allen is handling this end of the question directly with Trade and Commerce.

7. While it is a help to have the administration with us, we cannot minimize the strength of the proponents. The father of the scheme is said to be Felix Wormser recently appointed Assistant Secretary of the Interior in charge of mineral resources. He is a former Vice President of the St. Joseph Lead Company and more recently was head of the United States Lead and Zinc Association. These proposals are a culmination of two years of lively lobbying in which Wormser played a major role. Further, the membership of the House Ways and Means Committee includes a majority of Republicans whose voting record is protectionist. And above all, the State Department confirms that the United States lead and zinc producers do seem to have been seriously hurt by falling prices.

8. The Australians, Yugoslavs, Mexicans and the United Kingdom also have expressed their fears in more or less similar representations to the State Department. Ends.

833. DEA/3300-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1025 Washington, April 27, 1953

CONFIDENTIAL. IMMEDIATE.

PROPOSED INCREASED US ZINC AND LEAD DUTIES

Following for Dr. C.M. Isbister, Department of Trade and Commerce, from English, Begins: As reported by Allen by telephone today, Willis Armstrong, Deputy Director of the Office of International Materials Policy of the State Department, who was present at the interview with Linder (see the Ambassador's teletype to the minister, WA-1024) would welcome any specific information we can provide informally which he could use to demonstrate the possible effect on us of such proposals.

2. He is trying to gauge the impact on all supplying countries and urgently needs figures covering such aspects as employment, percentage dependency on the United States as an outlet and other details bearing on the subject. It occurs to me that some estimate of United States investment interest in the main supplies would also be useful, rough as it might have to be on such short notice. We attach the utmost importance to having this information this week. As George Bateman[84] is so close to this picture, you may wish to enlist his assistance. Please advise when we are likely to receive any material. Ends.

[84] G.C. Bateman, membre de la Commission de contrôle de l'énergie atomique; ancien président de l'Institut canadien des mines et de la métallurgie.
G.C. Bateman, Member, Atomic Energy Control Board; Past President, Canadian Institute of Mining and Metallurgy.

834. DEA/3300-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1027 Washington, April 27, 1953

LEAD AND ZINC DUTIES

Reference: Our teletype WA-1024 of April 27.

Following for A.E. Ritchie.

Following is text of Mr. Howe's letter of April 17 referred to in our above mentioned teletype, and copy of letter from Mr. Stavert to Mr. Howe, Begins:

Dear Mr. Wrong:

Enclosed is a copy of letter, addressed to myself, from Mr. R.E. Stavert, President of Consolidated Mining and Smelting Company Limited, regarding four bills introduced into Congress designed to raise the tariffs against Canadian lead and zinc.†

It would seem to me that any of these bills would represent a direct violation of the United States commitments under the General Agreement on Tariffs and Trade, and that, therefore, the bills are not likely to succeed. I would, however, appreciate your own opinion, from information available to you.

As Canada is a major supplier to the United States of both metals, an increase in duty as drastic as that proposed would have serious repercussions in this country. I am receiving visits from labour delegations asking for Canadian intervention to prevent the passage of these bills. However, I am sure you will do anything that can be done in that connection.

Your early advice will enable me to reply to Mr. Stavert's letter.

Yours sincerely,

C.D. HOWE

835. DEA/3300-40

Le Secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-746 Ottawa, April 30, 1953

CONFIDENTIAL. IMPORTANT.

LEAD AND ZINC DUTIES

Reference: Your WA-1024, April 27th — and Allen's same date.[85]

For J.H. English from C.M. Isbister, Begins: We are in complete agreement with the arguments given to the State Department on April 24th by Messrs. Pierce, LePan and Allen.

2. An extract from Hansard containing Mr. Byrne's[86] speech and two newspaper commentaries have been forwarded by air. We are also sending by air an extract from "*E & M J Metal & Mineral Markets*" which argues strongly the case for not introducing higher tariffs on lead and zinc.

3. The information which follows provides specific answers to the questions asked in Allen's teletype of April 27th. The material is dealt with in the following order: 1) the proportion of the Canadian lead and zinc mining and refining industry engaged in exporting to the United States, 2) what effects the imposition of higher duties might have on the Canadian industry, 3) United States investment in lead and zinc mining in Canada and 4) United States dependence on foreign suppliers for defence and civilian requirements.

4. In 1952 Canada exported 60 percent of its entire lead output and 29 percent of its zinc output to the United States. Of the 10,600 persons employed by the industry nearly half are engaged in producing for export to that country.

5. Canadian lead and zinc producers have already been hard hit by the slump in prices. Some 1,500 employees have been discharged during recent months and a number of mines have suspended operations completely. Other mines and smelters are operating at greatly reduced levels.

6. If the proposed higher duties were applied many more mines would be forced to close and only the most efficient operations could continue. It is almost certain that the present number of workers unemployed would be increased by several thousand. Much of the 25 million dollars loaned by the Canadian government and the millions of private capital which have been invested in exploration and development would be largely lost. Many of the new developments, such as the 7 million dollar Barvue Mine at Chibougamau, Quebec which is heavily dependent on long

[85] Voir le premier paragraphe du document 833./See Document 833, paragraph 1.
[86] V.A. Byrne, député de Kootenay Est.
V.A. Byrne, Member of Parliament for Kootenay East.

term contracts with the American Smelting Company, would face extreme difficulties in continuing operations.

7. It is estimated that it would take at least 12 months to bring operations back to even their present levels following such a curtailment. Secondly, all exploration would cease. The Canadian industry would be placed in a most uncertain position and would seek markets elsewhere. Should a future emergency arise it would be most difficult to convince the industry that it should divert supplies to the United States. During the wartime emergency Canada did divert substantial quantities of lead and zinc from traditional markets so that it could make greater supplies available to the United States. As a result, exports to the United States increased from 8.2 million lbs. of lead in 1939 to 153 million lbs. in 1942. Zinc shipments increased from 14 million lbs. to 163 million lbs. during the same periods.

8. It is already known that United States interests wholly own stock in Canadian lead and zinc concerns which produce over 20 percent of total output in this country. There is probably substantial United States investment in other companies but it is not possible to obtain accurate data.

9. The United States is highly dependent on foreign supplies of both lead and zinc. Between 1948 and 1952 imports of lead ranged from 36 to 90 percent of United States consumption. Over the same period imports of zinc ranged from 44 to 63 percent of domestic consumption. Canada is one of the leading suppliers of both metals.

10. In 1951 the United States Bureau of Mines listed lead as one of the essential materials respecting which the United States was becoming progressively less self-sufficient. With respect to this situation the President's Materials Policy Commission (Paley Report) says "In view of the growing dependence of the United States on foreign sources of lead and the desirability of encouraging production abroad a reimposition of the tariff on lead seems unjustified for the long run."

11. The American Metal Co. points out, in the *E & M J Metal & Mineral Markets* article referred to above, that "The United States has been explored more thoroughly than other countries in the western hemisphere and we do not know of any large potential increase in the production of lead and zinc in the United States. Despite the incentives of war needs, including the premium price plan, and the period of high prices following the war, domestic production failed signally to supply full domestic needs." Ends.

836. DEA/3300-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET [Ottawa], April 30, 1953

PROPOSED INCREASE IN US ZINC AND LEAD DUTIES

In a tactical move on behalf of protectionist-minded US interests, Rep. Simpson (R.-Pa.) introduced a Bill into the US Congress which, while providing for extension of the Reciprocal Trade Agreements Act for one year, contains a large number of restrictive features. Among these measures, some would strengthen the force of the "peril point" examinations of the US Tariff Commission (which are designed to prevent "excessive" reductions in tariffs) and others would limit certain specific imports. With respect to lead and zinc the bill prohibits further tariff concessions and imposes sliding-scale stabilization duties on imports. This formula ensures that domestic production will be sold at guaranteed prices before imports could come in on a competitive basis. Imports would thus be limited to times of shortage. The Simpson Bill is known to be opposed by the President (although possibly not by his Assistant Secretary of the Interior), in part because Eisenhower wants the RTAA prolonged without modification. However the lead and zinc interests have also introduced three separate bills all of which solely provide for these special provisions for lead and zinc.

2. The present duties on refined lead and zinc, in which we are primarily interested, are 1.06¼ cents and .70 cents per pound respectively, and the bills propose that, if the domestic price of either lead or zinc goes below 15½ cents per pound, then there shall be added to the present duty on such metal a duty of 1 cent per pound plus a sliding scale of duties which roughly provides that additional duty be added to the extent that the market price of each metal falls short of 15½ cents. At present market prices in the United States, this would mean that the duty would be about 5 cents per pound and 6 cents per pound on refined lead and zinc respectively, and at these prices would effectively bar shipment of these metals from Canada into the United States. The sliding scale of duties to be imposed would not be subject to modification or suspension by foreign trade agreements or otherwise.

3. As the US tariff on lead and zinc is bound under our trade negotiations with the US in the GATT, implementation of any of the bills would be a violation of the General Agreement. Moreover, an increase in duty as proposed in these bills would, as indicated above, have very serious repercussions on Canadian Industry.

4. Bearing in mind the success of the agricultural interests in obtaining protection and the apparent strength of the protection-minded faction in Congress, we cannot await the defeat of this effort with certainty. Mr. Howe is very concerned about the possibility of some measure of protection being instituted and the President of the Consolidated Mining and Smelting Company has been in touch with him. Consid-

eration has therefore been given to the possibility of taking some appropriate retaliatory action.

5. On April 27th Mr. V.A. Byrne (Kootenay East) spoke in the House on this problem. (Mr. Byrne's intervention was not without some encouragement from Trade and Commerce.) He vigorously protested against these efforts and introduced a resolution suggesting that more or less as retaliation the Canadian Government "should consider introducing legislation for the imposition of *export* duties on nickel and asbestos". Mr. Byrne also suggested that any duties should operate at a high level and should fluctuate upward whenever the escalator provisions of the United States tariff operate to increase their duties on lead and zinc.

6. From our point of view there is no harm and there might well be some benefit in airing this problem. Careful consideration would have to be given to the desirability of resorting to an export tax as a measure of retaliation. The provisions of the GATT provide for the withdrawal of equivalent concessions but whether an export tax could be justified and whether it could be applied in a discriminatory manner against the US without infringing the General Agreement would have to be examined before any such action were taken. The general implications for our trade relations with the US also would have to be considered.[87]

L.D. W[ILGRESS]

837. DEA/3300-40

L'ambassade aux États-Unis
au sous-secrétaire d'État aux Affaires extérieures

Embassy in United States
to Under-Secretary of State for External Affairs

LETTER NO. 1511 Washington, July 30, 1953

US TARIFF COMMISSION INVESTIGATION INTO LEAD AND ZINC IMPORTS

On the 27th of July the Senate Finance Committee approved a Committee resolution calling on the US Tariff Commission to investigate and submit a report by March 31st, 1954, on the effect of lead and zinc imports on the domestic mining industry.

2. The resolution is undoubtedly the result of the agitation of the domestic industry in connection with the provisions for sliding scale stabilization duties incorporated in the defeated Simpson Bill (HR 4294, subsequently re-numbered HR 5496 and 5894) as well as a number of individual bills introduced by various Western representatives and Senators similarly to amend Part I of Title III of the Tariff Act of 1930.[88]

G.A. BROWNE
for the Embassy

[87] Voir la pièce jointe 2 du document 662./See Document 662, enclosure 2.
[88] Voir le document 857./See Document 857.

SECTION F

LA COMMISSION MIXTE CANADO-AMÉRICAINE DU COMMERCE ET DES AFFAIRES ÉCONOMIQUES ET LE PROJET D'ÉTUDE SUR LE LIBRE-ÉCHANGE JOINT CANADA-UNITED STATES COMMITTEE ON TRADE AND ECONOMIC AFFAIRS AND PROPOSED STUDY OF FREE TRADE

838. CEW

Extrait du compte rendu de la réunion

Extract from Report of Meeting

Washington, May 13, 1953

The weekly meeting with Hayden Raynor which took place on Wednesday, May 13, covered the following subjects:

. . .

Prime Minister's Visit — Economic Committee

2. Raynor reverted to the question of the establishment of a joint Canada-United States economic board[89] and said that as a result of a perusal of the record of the White House talks, it was the State Department understanding that there were two problems which required following up:

(a) the establishment of the joint board as suggested by Mr. Pearson,

(b) the exploration of the possibility of free trade or a customs union — as suggested from the United States side.

There was also a question of procedure involved for it would have to be decided whether these two problems would be considered separately or together. If they were to be considered together, the exploration of the possibility of free trade or customs union could be made a major function of the new board. I made no comment on Raynor's remarks but merely said that we were seeking guidance from Ottawa on the question of establishing a board which had been raised by Mr. Pearson at the White House meeting. I passed this information on promptly to Mr. LePan.

. . .

[89] La pièce jointe 2 du document 662./Document 662, enclosure 2.

839. DEA/50316-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1173 Washington, May 13, 1953

SECRET. IMPORTANT.

PROPOSED JOINT ECONOMIC BOARD

When going over with Livingston Merchant the record of the meetings between the Prime Minister and President Eisenhower at the White House last week, I learned that the State Department would like to go ahead immediately with planning the setting up of the Joint Economic Board which was suggested at these meetings. In fact they regard the President's remarks as amounting to a directive to the State Department to explore this idea.

2. As a first step, the State Department have been thinking of setting up an interdepartmental committee in Washington to consider the possible functions and composition of such a board. This preliminary planning group would include, presumably, representatives from the Treasury, and the Departments of Agriculture and Commerce. The possibility was also mentioned to us of bringing Willoughby down from the United States Embassy in Ottawa to participate in the planning.

3. As it seemed to me undesirable to have this type of United States study proceed to the point where we might be faced with crystallized United States thinking before our own views were developed, I suggested that they should postpone the setting up of their group for at least two weeks to enable us to present some preliminary views on the functions and composition which might be contemplated. This was agreed, though with some reluctance, because the State Department naturally take very seriously the President's warm response to the idea when it was put forward.

4. I therefore regard it as a matter of importance to receive as quickly as possible an outline of your thinking on the possible functions and composition of the proposed board to give to the State Department. I should also be glad to know whether you think that we should try to arrange that someone from my staff should sit down with representatives of the State Department from the outset in considering plans for the proposed board.

840. DEA/50316-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-853 Ottawa, May 14, 1953

TOP SECRET. IMMEDIATE.

PROPOSED JOINT ECONOMIC BOARD BETWEEN CANADA AND THE UNITED STATES

Reference: Your teletype WA-1188 of May 14.[90]

Following from the Minister.

1. I have discussed your message with the Prime Minister and we are both strongly of the view that the question of a free trade area is not one that should be pursued through the proposed Joint Economic Board or at this time through any other channel. You will recall that when this subject was mentioned in our conversations in Washington we made it clear that our interest was in promoting more liberal trade throughout the free world. In this connection you might refer to page 6 of the draft record of the first meeting which reports the Prime Minister as follows: "The Prime Minister, referring to the suggestion of a special tariff relationship with Canada, said that it was important to avoid doing anything which would keep others out. The problem, in his judgment, had to be viewed in the light of the needs of the whole free world, which should be constantly kept in mind." The record goes on to indicate that Mr. Humphrey agreed with these views of the Prime Minister. Our general views and the objectives which we had in mind were set forth at some length in the memorandum which the Prime Minister left with the President.

2. With reference to your paragraph 6 in which you make certain recommendations, we agree that you should at once remind the State Department that the somewhat casual way in which this matter was raised by Mr. Wilson did not constitute a discussion and therefore no public reference of any kind should in our opinion be made to this matter as one arising out of our visit to Washington.

3. As you will be aware, our general conception of any joint economic body is that it should be primarily concerned with ironing out difficulties and preventing actions which might give rise to irritations in trade matters between the two countries. We would hope to let you have within the next week further preliminary views on the possible nature and functions of any such body.

[90] Non trouvé./Not located.

841. DEA/50316-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1215 Washington, May 16, 1953

TOP SECRET. IMMEDIATE.

PROPOSED JOINT ECONOMIC BOARD BETWEEN CANADA AND THE UNITED STATES

Reference: Your teletype EX-853 of the 14th May.

In accordance with your instructions, Pierce and LePan called yesterday afternoon at the State Department on Livingston Merchant, Assistant Secretary for European Affairs, who, as you will remember, was present at the meeting in the White House on the 8 of May when Mr. Wilson referred to the possibility of a free trade area between Canada and the United States. We explained that, as you and the Prime Minister recalled the meeting at the White House, although there had been *discussion* of the proposal for a joint economic board between Canada and the United States, casual *reference* only had been made to the possibility of a free trade area or customs union between the two countries; no public mention, therefore, of any kind should be made of this matter as one arising out of the Prime Minister's visit to Washington. We also let Merchant read the full text of your message.

2. Merchant was most sympathetic and grasped our points very readily. He said that the United States record of the meeting at the White House had been marked secret, and he fully agreed that it should not be disclosed publicly that any reference had been made to the possibility of free trade between the two countries. On the other hand, he felt that what the President had said on the subject called for study of it within the United States Government. We replied that of course we could have no quarrel with that interpretation. But we pointed out that it would not be possible at this time for Canadian representatives to participate in any joint consideration of the possibility of a free trade area. Merchant said that he fully understood our position on that point.

3. Summing up, we said that we would like to stress three things:

(a) We wished it to be kept completely secret that there had been any reference made at the meeting at the White House on the 8 May to the possibility of a free trade area between Canada and the United States.

(b) The Canadian authorities could not for the present participate in any joint study of this possibility.

(c) In the interests of secrecy, we hoped that internal consideration within the United States Government of the proposal for a joint economic board should be kept separate from whatever consideration the United States authorities might wish

to give to the possibility of a free trade area or customs union between Canada and the United States.

4. In outlining their tentative plans for considering the proposal for a joint economic board, Merchant said that, since you had informally put forward this proposal, they had decided not to arrange any inter-agency study of the issue until at least the preliminary views of the Canadian Government on the possible composition and functions of the proposed board had been received. At that stage it would probably be desirable to establish an inter-agency committee in Washington. The views of this committee as they were developed would be communicated to us, and Merchant expressed the hope that developing Canadian views would also be fed through the Embassy to the inter-agency committee.

5. We gathered that the State Department had not yet formulated even tentative views on how consideration should be given within their own governmental system to the possibility of a free trade area. However, Merchant indicated that, for the time being at least, there was no idea of submitting this subject to an inter-agency committee. We were also given to understand that study of this question would be part of wider investigations of how best to free trade and would not be made to appear as being carried out in pursuance of the reference made to it during the meeting between the Prime Minister and the President. Merchant also assured us that he did not think examination of the possibility of a free trade area between the two countries should be included in the mandate of the proposed joint economic board.

6. Before leaving, we said that we want it to be clearly understood that we were in no way passing judgment on the issue of free trade between Canada and the United States. But whatever merit the possibility might or might not have, it could not be the subject of joint consideration at the present time.

842. DEA/50316-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-998 Ottawa, June 6, 1953

SECRET

PROPOSED CANADIAN-US JOINT ECONOMIC BODY

1. Consideration has now been given to the views that might be expressed to the State Department on this subject. From the statement made by the Prime Minister in the House of Commons on May 9th[91] and from the record of the White House

---

[91] Voir Canada, *Débats de la Chambre des communes*, session 1952-1953, volume V, 9 mai, pp. 5364-5367, 5372-5373.
See Canada, House of Commons, *Debates*, Session 1952-1953, Volume V, May 9, pp. 5055-7, 5063.

discussions, it would seem that the body, if it were set up, would be of a consultative character the purpose of which would be to exchange information and views for the benefit of the two governments. The body would be concerned primarily with avoiding, or ironing out, difficulties.

2. We are suggesting below terms of reference which you might now discuss with the State Department. We recognize that these proposed terms of reference are limited in scope. Such limitations seem to us to be desirable since we are most anxious that the body should not be given functions which go beyond the effective powers of execution of either side.

3. In putting forward these suggestions we are not pre-judging whether in fact it will be found desirable to establish a joint body. You will recall that the understanding reached in the White House talks was that the question should be explored. We feel that a conclusion regarding the desirability of setting up any such body probably might best be reached after some consideration has been given to possible terms of reference. The following are the terms of reference which we would propose as a basis for discussion:

Name:

Joint United States-Canada Committee on Trade Questions.

Functions:

1. To exchange information and views on matters which might affect the operation of present trade agreements under which a high level of mutually profitable trade has been built up;

2. To consider other questions affecting harmonious trade relations between the two countries;

3. To report to their respective governments on such discussions in order that consideration might be given to appropriate measures to encourage the flow of trade.

Composition:

It is considered that representation should be by members of Cabinet. It would seem to us that the appropriate number might be four from each side. In the case of Canada the members would probably be: the Ministers of Trade and Commerce, of Finance, and of Agriculture, and the Secretary of State for External Affairs. If the designated Cabinet members were unable to attend they would appoint alternates. (In our view alternates should be at the Assistant Secretary level at least.)

Procedures:

Meetings would normally take place twice a year — alternately in Washington and Ottawa — but with the understanding that the timing and frequency of meetings would depend on whether conditions made it advisable for meetings to be held at any particular time. It is not envisaged that the Committee would require a separate or continuing secretariat. Each side would provide any secretarial assistance which may be required at the meetings. A Canadian member of the Committee would be chairman when meetings were held in Ottawa, and a United States member when meetings were held in Washington.

Any public announcement regarding the establishment of the Committee might usefully state that the activities of the Committee would of course be fully consistent with the interests of both countries in promoting satisfactory trade relations on a multilateral basis throughout the free world. Ends.

843. DEA/50316-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1428 Washington, June 10, 1953

TOP SECRET

PROPOSED CANADIAN-UNITED STATES JOINT COMMITTEE
ON TRADE QUESTIONS

Reference: Your teletype No. EX-998 of the 5th of June.

Yesterday afternoon I called at the State Department on Livingston Merchant, Assistant Secretary for European Affairs, to leave with him the terms of reference which you have proposed as a basis of discussion in considering whether or not a joint United States-Canada committee on trade questions should be established. Willoughby of the United States Embassy in Ottawa, Peterson, the Officer in Charge of Commonwealth Affairs in the State Department, and LePan of this office, were also present.

2. I began by saying that it seemed to me there were three questions which required some discussion in consequence of the meeting between the Prime Minister and the President at the White House on the 8th of May. First, there was the informal suggestion made on the Canadian side that a joint economic committee might be established. Second, there was the suggestion put forward by Secretary of Defence Wilson that the possibility of a free trade area between Canada and the United States should be explored. Third, the President had suggested that there should be a detailed discussion of each point in the memorandum on international economic problems left with him by the Prime Minister.

3. We had extracted from your message the draft terms of reference you proposed and we circulated copies. We made it clear that, in doing so, we were not in any way prejudging the issue of whether or not a joint committee on trade questions should be set up. But we thought that an answer to this question might more easily be reached by considering first what such a body might do. Merchant said that he quite agreed with this procedure and added that your draft terms of reference would be very useful to the State Department in considering whether such a body should be established. As was to be expected, the United States officials were not in a position to comment out of hand on the terms of reference. Perhaps I should report, however, that Peterson enquired whether there was any special significance to be attached to the choice of the word "report" instead of "recommend" in the third of

the functions tentatively proposed for the committee. Merchant concluded this part of the conversation by saying that, after the State Department had studied the Canadian paper on the terms of reference that might be given to such a committee, a further meeting would be held. At this next meeting it might be possible to give some preliminary consideration to whether or not it would be advisable to establish a committee.

4. Earlier in the day Willoughby had telephoned me to say that he had been rather disturbed on coming to Washington to find that interest in the suggestion for a free trade area between the United States and Canada was still running high in the State Department. He had discussed this possibility in Ottawa both with the Under-Secretary and with John Deutsch and had gathered the impression that the Canadian Government would not be willing to consider such a possibility for very many months to come. He himself had been invited to remain in Washington and help in preparing a study of the economic effects of a free trade area between the two countries. But in view of what he believed to be the attitude of the Canadian Government on this subject, he was convinced that any such study would be a waste of time at this stage.

5. Taking my cue from what Willoughby had told me, I thought that I should try to put the proposal for a free trade area deeper into cold storage than apparently we had succeeded in doing in the representations which we made on the 15th of May and which we reported in our teletype No. WA-1215 of the following day. I therefore said that it seemed to me there were only two sets of circumstances in which the Canadian Government might be willing seriously to consider the possibility of creating a regime of complete free trade between Canada and the United States. This possibility might seem attractive to the Canadian Government in the event that world trade shrunk drastically and hope of restoring a multilateral system vanished; or, alternatively, in a happier situation where the United States was moving vigorously towards a more liberal commercial policy and was actively supporting a new attempt on a world-wide scale to achieve convertibility of currencies and remove quantitative restrictions. The present situation, on the other hand, in which the main lines of United States commercial policy were still undetermined, was not propitious for studying the possibility of a free trade area between the two countries. Serious trouble and embarrassment could be caused if it leaked out that this possibility was being considered. Free trade between Canada and the United States was a subject with a long political history and dangerous political ramifications in Canada; and it should also be remembered that Canada might be charged with bad faith by its partners in the Commonwealth if it came to be believed that the Canadian Government, which had supported the proposals elaborated at the Commonwealth Economic Conference last year, was abandoning that initiative and toying with the possibility of forming a free trade area with the United States.

6. There was then some discussion of how the State Department should discharge the responsibility which they believe has been laid on them by the President to investigate this possibility. After a number of suggestions had been briefly considered and rejected, Merchant said that he thought it would be enough for the State Department to report briefly to the President that, in their opinion, such a project would not be feasible at this time. I am now hopeful that we may have succeeded in

freezing consideration of this possibility even within the United States Government. Willoughby had told me over the telephone that he thought, if this examination were allowed to go forward, it would soon have to be broadened to bring in other agencies; and in that case, it could hardly long be kept secret. I agree with him on both counts and therefore believe that our best course is to try to dissuade the State Department from going any further with this investigation.

7. I then drew attention to the sentence in my record of the meeting at the White House on the 8th of May in which the President, after accepting from the Prime Minister the memorandum on international economic problems, is reported to have "suggested that a detailed discussion of each point should take place later"; and I enquired where study of this document now stood. I did so, I explained, because the memorandum really contained the core of what the Prime Minister had come to Washington to say to the President on economic matters. The memorandum had been circulated at once, Merchant said, to all of the members of the Cabinet here who are concerned in any way with foreign economic policy; but it had not been subjected to detailed study, I gathered. Indeed, Peterson argued that it was hardly susceptible of joint discussion, point by point, by representatives of the Canadian and United States governments; and in this view he was supported by both Merchant and Willoughby. Its general thesis, that the unity and military strength of the free world would be endangered unless the United States moved quickly to implement a vigorous and expansive foreign economic policy designed to assist in getting rid of trade restrictions and in restoring convertibility of currencies was, they all agreed, of unimpeachable validity; and it had been very useful for the Prime Minister to make this case to the President. None of them, however, was inclined to think that the memorandum could profitably be discussed, point by point, although they promised to consider further that possibility. I did not press them to agree that the memorandum should be dealt with in that way, but merely left it that they would let me know later whether, on reflection, they thought that it should be discussed in detail by Canadian and United States representatives jointly. One suggestion that was casually and briefly considered was that sometime within the next month or two there might be an informal meeting, either in Washington or Ottawa, between Canadian and United States economic experts to discuss the memorandum and also perhaps to exchange views on the subject which are to be considered at the next session of GATT and at the next meeting of the Governors of the International Bank and Fund.

844. DEA/50316-40

Note pour la Direction économique

Memorandum for Economic Division

TOP SECRET Ottawa, June 11, 1953

Mr. [A.E.] Ritchie

Unfortunately this message[92] deals with the proposed joint economic board *and* the free trade question together — which creates difficulties in referring it out of the department.

To get around the difficulty (though it creates others) we could write to the ICETP people saying that a message from Washington "dealing with other questions" had referred to the Joint Board as follows:

and quote para[graph]s 1, 3 & 7.

I have asked Miss Lonsdale to keep the circulating copy out.

I have reclassified it as TOP SECRET and advised the Code Room and Washington. I also asked them to not send a copy to Pol[itical] Coord[ination] Sec[tio]n or at least get it back.

2. [L.A.D.] Stephens destroyed his copy.

A.R. K[ILGOUR]

845. DEA/50316-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1043 Ottawa, June 11, 1953

TOP SECRET

PROPOSED CANADIAN-UNITED STATES JOINT COMMITTEE ON TRADE QUESTIONS

Reference: Your telegram No. WA-1428 of June 10.

Your message has been reclassified as top secret and parts of it are being given only a very limited distribution here.

[92] Le document précédent./The preceding document.

846. DEA/50316-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, July 28, 1953

PROPOSED CANADIAN-US JOINT ECONOMIC BODY

During the recent visit of Canadian officials to Washington for informal discussions on various economic and commercial matters, US officials indicated that they had not yet been able to secure the views of Mr. Dulles on the proposals which we had made to them early in June. They indicated their own impression, however, that US Cabinet Members were unlikely to regard the proposed Committee as worthwhile, or to be prepared to attend meetings of the Committee themselves, unless the terms of reference were to be considerably broadened. The Canadian officials undertook to seek the views of Ministers concerned here and to let the State Department know informally whether we would be agreeable to some broadening of the functions of this proposed Committee.

Since a Committee which met at Cabinet level would obviously be free to discuss any suggestions at will, it would not seem to matter very much in practice whether the terms of reference are drawn narrowly or broadly. If a widening of the written terms of reference would help to attract US Cabinet Members there would seem to be no substantial reason for us to object to such a revision of our original proposal. A Committee which always met at a lower level would not seem to have a great deal of advantage over the present informal arrangements.

If it is your view in the present circumstances that the establishment of such a Cabinet level Committee is warranted, I should be grateful for your guidance on whether we should discuss with other Departments[93] the desirability of intimating to the State Department that we would be prepared to see our proposal altered along the following lines:

Name:

Joint US-Canadian Committee on Trade and Economic Affairs.

Functions:

1) To consider questions affecting harmonious economic relations between the two countries;

2) In particular, to exchange information and views on matters which might substantially affect the operation of present trade agreements under which a high level of mutually profitable trade has been built up;

[93] Note marginale:/Marginal note:
please do. L.B. P[earson]

3) To report to their respective Governments on such discussions in order that consideration might be given to any measures that might be appropriate and necessary to improve economic relations and to encourage the flow of trade.

L.D. W[ILGRESS]

847. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], September 9, 1953

. . .

PROPOSED CANADA-US ECONOMIC BODY; TERMS OF REFERENCE

9. *The Secretary of State for External Affairs* said that, during the visit of the Prime Minister to Washington, it had been suggested in the course of discussions with the President that it might be useful to have a joint Canada-United States economic committee. Possible terms of reference limiting the committee to trade questions had been discussed informally, and the United States had now indicated that they thought the terms should be somewhat broadened. The proposal was that the committee be on a ministerial level with the Ministers of Trade and Commerce, Finance, External Affairs and Agriculture for the Canadian side, and the corresponding Secretaries for the United States. Meetings would normally take place not more than twice a year, alternately in Washington and Ottawa.

It was recommended that a formal proposal be made for the establishment of the committee as outlined and with terms of reference as submitted.

An explanatory memorandum had been circulated.

(Minister's memorandum, Sept. 5, 1953 — Cab. Doc. 187-53)†

10. *In the course of discussion* it was suggested that it would be desirable to have as the fourth Canadian representative either the Minister of Agriculture or the Minister of Fisheries, depending on the matters to be discussed at any particular time.

11. *The Cabinet* approved the recommendation of the Secretary of State for External Affairs and agreed:

(a) that it be proposed to the United States that a joint US-Canada Committee on Trade and Economic Affairs be established as recommended; the Canadian representation to be the Ministers of Trade and Commerce, Finance and External Affairs, and either the Minister of Agriculture or the Minister of Fisheries depending on matters to be discussed at any particular meeting; and

(b) that the terms of reference of the committee, as recommended, be:

(i) to consider questions affecting harmonious economic relations between the two countries;

(ii) in particular, to exchange information and views on matters which might substantially affect the operation of present trade agreements under which a high level of mutually profitable trade has been built up; and,

(iii) to report to their respective governments on such discussions in order that consideration might be given to any measures that might be appropriate and necessary to improve economic relations and to encourage the flow of trade.

. . .

848. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], November 4, 1953

. . .

PROPOSED JOINT UNITED STATES-CANADA COMMITTEE ON TRADE AND ECONOMIC AFFAIRS

47. *The Prime Minister*, referring to discussion at the meeting of September 9th, 1953, said that United States authorities had considered some further generalization desirable in the terms of reference of the proposed Joint United States-Canadian Committee on Trade and Economic Affairs. Certain revisions had been worked out and agreed to by Canadian and United States officials and it was proposed that the revised terms of reference be embodied in an Exchange of Notes between the Canadian Ambassador in Washington and the United States Secretary of State. The US State Department was hopeful that all the necessary concurrences could be obtained in time for the proposed notes to be exchanged in Washington before President Eisenhower left for Ottawa on November 13th. On this assumption, a reference to the establishment of the Joint Committee had been included in the draft of the speech which the President would deliver to Parliament.

An explanatory memorandum was circulated.

(Memorandum, Secretary of State for External Affairs, Nov. 3, 1953 — Cab. Doc. 276-53)†

48. *In the course of discussion*, it was pointed out that the text of the proposed Exchange of Notes seemed to be at variance with the previous decision taken by Cabinet that it would be desirable for the Canadian Section of the Committee to include either the Minister of Agriculture or the Minister of Fisheries, depending on the matters to be discussed at any particular meeting. This should be made clear in the Exchange of Notes. If such a change could not be agreed to in time, the point should be covered on the establishment of the Committee.

49. *The Cabinet* agreed:

(a) that the text of the proposed Exchange of Notes establishing the Joint United States-Canada Committee on Trade and Economic Affairs, as submitted by the Secretary of State for External Affairs be approved; subject to alteration of compo-

sition of the Canadian group on the Committee to include either the Minister of Agriculture or the Minister of Fisheries, in accordance with the decision of September 9th, 1953;

(b) that, subject to final confirmation of establishment of the Joint Committee being agreeable to the United States government, the Canadian Ambassador in Washington be authorized to complete the Exchange of Notes as soon as convenient;

(c) that arrangements be made for the simultaneous announcement of the establishment of the Committee in Ottawa and Washington; and,

(d) that, in order to allay any fears which might arise in other friendly countries that establishment of the Committee represented a move toward bilateral arrangements in the economic field between Canada and the United States, any public announcement in Ottawa regarding the establishment of the Committee would indicate that its work would constitute one aspect of the activities of the two countries in the economic field, which were directed towards promoting satisfactory trade relations on a multilateral basis throughout the free world.[94]

. . .

SECTION G

AVOINE ET FILETS DE POISSONS DE FOND
OATS AND GROUNDFISH FILLETS

849. PCO

Note pour le Cabinet

Memorandum for Cabinet

CONFIDENTIAL Ottawa, July 17, 1953

POSSIBLE US RESTRICTIONS ON OATS AND GROUNDFISH FILLETS

The US Tariff Commission has been receiving representations that restrictions should be imposed on the importation of oats and groundfish fillets. United States imports of oats come almost exclusively from Canada and we provide about 60 per cent of their imports of groundfish fillets. Restrictions in either case would be very serious.

No actual hearings have been held as yet in the case of groundfish fillets and it will not be finally dealt with until the end of the summer. Hearings have, however, been concluded with regard to oats and the Commission may make its recommendations within a few days. If it recommended restrictions, it would be for the President to decide whether to impose them or not. As there will be no advance knowl-

[94] Pour le texte de l'annonce et de l'échange de notes, voir ministère des Affaires extérieures, communiqué de presse n° 75, 12 novembre 1953.
For the texts of the announcement and the Exchange of Notes, see Department of External Affairs, Press Release No. 75, November 12, 1953.

edge of the nature of the recommendation or as to when it is made (although it now seems probable that it will not be before Wednesday) it is important that any representations from the Canadian Government should be sent in as soon as possible.

As this matter is of great importance and as the decision of the President is crucial, the most effective course appeared to be a letter from the Prime Minister to the President. The Prime Minister, after consultation with the Minister of Trade and Commerce and the Secretary of State for External Affairs in Port Arthur and Sudbury, has signed a letter which was sent to Washington by air courier today. A copy is attached.

As the letter is of a personal character, it is desirable to have official representations made at the same time. For this purpose, a draft note from our Ambassador in Washington to the Secretary of State has been prepared to accompany a copy of the case on oats that was made by the Chief Commissioner of the Wheat Board at the hearings on July 8. A copy of the draft note is attached for consideration.†

The text of the draft note has been sent to the Embassy by teletype. When it has been approved or amended, a copy of it will be attached to the Prime Minister's letter and the letter will be delivered to the White House to-morrow. The note will be delivered to the State Department on Monday.

R.G. ROBERTSON

[PIÈCE JOINTE/ENCLOSURE]

Le premier ministre au président des États-Unis

Prime Minister to President of United States

Ottawa, July 17, 1953

Dear Mr. President:

In our conversations during my visit to Washington in May we discussed the importance to the strength and security of the free world of maintaining and expanding world trade, including that very important fraction of total world trade which takes place between the United States and Canada.[95]

Mr. Pearson and I were gratified by the sympathetic understanding you and your colleagues showed for these objectives, and by your evident concern to avoid any sources of friction and misunderstanding between our two countries, which would be bound to result from new trade restrictions. On June 30th, our government felt obliged to make representations about the restrictions which had been announced to come into effect on July 1st, and since then we have been greatly disturbed by the fear of still further restrictions.

I am not, of course, referring in any way to emergency embargoes imposed as precautions against the spread of contagious diseases in plants or animals.

[95] Voir la pièce jointe 2 du document 662./See Document 662, enclosure 2.

What has been so greatly disturbing to us recently is the reference to the United States Tariff Commission of several cases of major concern to Canada, particularly the cases of oats and groundfish fillets which are both of substantial and traditional importance in our trade with the United States.

In the case of oats, hearings were held last week and it is our understanding that a report will shortly be made to you. Since the interest of Canada and the livelihood of thousands of Canadian farmers would be seriously affected by a restriction on the import of oats, our government is sending a note to yours about this matter. I enclose a copy with this personal letter.

Because of the sympathetic understanding you showed for our position last May, I am venturing to tell you personally how serious I fear would be the effect on Canadian opinion if the United States were to impose new restrictions on imports from Canada of highly important commodities like oats and fish from which our people have derived a part of the income which enables us to make our huge purchases of commodities produced in the United States.

We appreciate that, in the United States, a section of farm opinion is strongly opposed to these imports from Canada and we have tried on that account to show the utmost forbearance in all our approaches to your government.

But we in Canada also have a public opinion which has to be considered, and it would be increasingly difficult for our public to understand or to accept without some form of counter-action on our part new restrictions on important Canadian exports to the United States, particularly when our total imports from your country are so much greater than your imports from Canada.

Harmonious trade relations in the past eighteen years have greatly increased the feeling of friendly neighbourliness between Canada and the United States and have, we think, added greatly to the economic strength of both countries.

The possibility of any action which would mar those harmonious relations is something our government would greatly deplore, and I am sure you and your administration would also deplore it.

And I would not be honest if I did not say frankly that the imposition of new restrictions which would affect only a small fraction of your total consumption of commodities like oats and fish, but which would jeopardize the livelihood of thousands of Canadians could not fail to create resentment and ill-will and consequential demands for action on our part.

It is for that reason that I feel justified in bringing this to your personal attention. Should we not both do our utmost to resist demands for action which could not fail to do harm to both countries?

Yours sincerely,

L.S. ST-LAURENT

850. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], July 19, 1953

. . .

CANADIAN EXPORTS TO THE UNITED STATES; POSSIBLE US RESTRICTIONS ON OATS AND GROUNDFISH FILLETS

5. *The Secretary of State* reported that the US Tariff Commission had received representations that restrictions should be imposed on the importation of oats and groundfish fillets. Canada provided about 60 percent of US imports of groundfish fillets and nearly 100 percent of their imports of oats. Restrictions in either case would be serious to Canada.

No hearings had yet been held in respect of groundfish fillets but it was understood that the Tariff Commission would shortly submit its recommendations on oats.

In view of the importance of this matter it was agreed, in the course of recent discussions between the Prime Minister, the Minister of Trade and Commerce and the Secretary of State for External Affairs, that the most effective course might possibly be a letter from the Prime Minister to the President. Such a letter had been prepared by the departments most immediately concerned and revised by the Prime Minister. The letter had now been signed and despatched to Washington. Concurrently with submission of the Prime Minister's letter to the President it was felt that the Canadian Ambassador at Washington should forward a formal note to the US Secretary of State. It was intended that the note should be delivered to the State Department the following Monday.

An explanatory note was circulated.

(Memorandum, Privy Council Office and attachments, July 17, 1953 — Cab. Doc. 157-53)

6. *During the course of discussion* it was suggested that no reference should be made in the Ambassador's note to the personal letter from the Prime Minister to President Eisenhower. The note should stress as clearly and briefly as possible the great harm which would result for both countries if restrictive measures were now taken against the importation of Canadian oats into the United States.

7. *The Cabinet*:

(a) noted with approval the personal letter dated July 17th which the Prime Minister had sent to Washington for transmission to President Eisenhower with regard to possible US restrictions against the importation of Canadian oats and groundfish fillets; and,

(b) agreed that a note relating to this matter, in terms as agreed during the course of discussion, be delivered to the State Department by the Canadian Ambassador in Washington the following Monday.

. . .

851. PCO/U-12-3

L'ambassadeur aux États-Unis
au sous-secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Under-Secretary of State for External Affairs

LETTER NO. 1413 Washington, July 20, 1953

CONFIDENTIAL

US TARIFF COMMISSION HEARING ON OATS

Reference: Your teletype EX-1283 of July 17th.†

I enclose copy of Note No. 470 which Pierce handed to John Leddy, Deputy Assistant Secretary for Economic Affairs at the State Department, today.

2. The text is that given in the teletype under reference with the changes of which Gordon Robertson of the Prime Minister's Office advised Pierce by telephone Saturday morning.

3. I had intended to deliver the note myself to Samuel C. Waugh, Assistant Secretary for Economic Affairs, but he is out of town and will not be back until tomorrow. In the circumstances I thought it best not to wait for Waugh's return but to have the note presented at once.

H.H. WRONG

[PIÈCE JOINTE/ENCLOSURE]

L'ambassadeur aux États-Unis
au secrétaire d'État des États-Unis

Ambassador in United States
to Secretary of State of United States

NOTE NO. 470 Washington, July 18, 1953

The Canadian Ambassador presents his compliments to the Secretary of State and has the honour to refer to proposals which have been submitted to the United States Tariff Commission to restrict the trade in oats and groundfish fillets. Both of these commodities are of traditional importance in Canadian trade with the United States. This matter is of major concern to Canada and a decision by the United States Government to limit the imports of either of these commodities would have serious implications, not only for trade but for other aspects of relationships between our two countries.

The Chief Commissioner of the Canadian Wheat Board had an opportunity to appear before the Tariff Commission on Wednesday, July 8th, when hearings were held on oats. I am enclosing herewith a copy of the brief presented at that time, which sets forth the principal elements of this problem. It is hoped that this statement will receive careful consideration.

The Canadian Government wishes to draw attention to this serious problem and to the great harm which would ensue for both countries if restrictive proposals of this kind were to become effective. It greatly hopes that the United States Government will be able to avoid actions which would impair the harmonious and mutually advantageous trade relationships which have been developed.

852. DEA/6780-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

DESPATCH 1449 Washington, July 24, 1953

CONFIDENTIAL

THE POSSIBLE RESTRICTIONS ON IMPORT OF CANADIAN OATS AND FISH

Reference: My Letter No. 1413 of July 20, 1953.

1. When I called on President Eisenhower this morning to say goodbye to him, he mentioned the Prime Minister's letter to him of July 17th. He asked me to assure the Prime Minister that his own convictions about the need for a liberal commercial policy were as strong as ever. He was sure that the Prime Minister appreciated his difficulties in dealing with pressure groups in Congress. He had had earlier this morning a meeting with some of the tougher Members of Congress, who were concerned, I gathered, particularly with agricultural protection, and has spoken to them firmly about the impossibility of treating particular commodities in isolation. He mentioned Senator Malone and remarked that he thought that if he asked the Senator whether he did not admire the green lawn of the White House, the Senator would answer, "Yes, but it would be much better if we had higher tariff protection".

He added that he hoped to send a reply very shortly to the Prime Minister's letter, which could not, of course, contain any specific promises of action that he would take. He has referred the letter to the State Department for the preparation of a draft, and we learn from the State Department that a draft has been prepared which will be submitted to the President within a day or two.

H.H. WRONG

853. DEA/6780-40

Le président des États-Unis au premier ministre

President of United States to Prime Minister

Washington, July 27, 1953

Dear Mr. Prime Minister:

I have read with great interest your letter of July seventeenth, referring to our conversations in May on the importance of expanding world trade to maintain the strength and security of the free world. I assure you that the sympathetic understanding on the part of United States officials of these objectives and our concern to avoid any sources of friction between our two countries are as strong as ever, despite the initiation of certain investigations by the Tariff Commission.

These two investigations concerning imports of oats and groundfish fillets were begun in accordance with the provisions of laws which have been in effect for some time. As long as they are in force, the Administration has no choice but to operate in accordance with them. However, such investigations do not necessarily lead to the application of import restrictions. On the contrary, many investigations, such as the earlier Tariff Commission investigation of groundfish fillets imports in 1951, are completed without the imposition of restrictions.

A basic question before this Administration is whether the laws relating to our foreign economic policies are appropriate to our national interest — which is inseparable from that of the other free nations of the world. Plans are nearly complete for the creation of a joint legislative-executive Commission to explore this problem thoroughly and make its recommendations early next year. During the intervening months, I intend to keep clearly in mind the fact that the free world cannot be strong without a high level of international trade.

I am aware of the feeling in Canada concerning these trade matters and am as anxious as you that they not be permitted to develop in a way which would cause mutual recriminations or otherwise affect the good relations between our countries.

Sincerely,

DWIGHT EISENHOWER

P.S. I am sending you a long letter just received from a member of the United States Senate. It gives you the arguments presented by the political leaders in the grain growing areas. You will be interested.†

854. DEA/6780-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1927 Washington, August 10, 1953

HEARINGS BEFORE THE UNITED STATES TARIFF COMMISSION
ON OATS AND GROUNDFISH FILLETS

Reference: Our teletype WA-1920 of August 7.†

Following is the text, which was delivered to us this evening at the State Department, of the reply to our Note No. 470 of the 18th of July on oats and groundfish fillets, Text begins:

The Acting Secretary of State presents his compliments to His Excellency the Ambassador of Canada and has the honor to refer to his Note No. 470, dated July 18, 1953, expressing the grave concern of the Government of Canada over the possibility that restrictions may be imposed on imports of oats and groundfish fillets as a result of the investigations now being conducted by the United States Tariff Commission. A copy of the statement presented by the Chief Commissioner of the Canadian Wheat Board before the Tariff Commission during the course of the hearings held in connection with the investigation with respect to oats was enclosed with the Ambassador's note.

The Ambassador draws attention to the serious implications restrictions on imports of either of these commodities would have, not only for trade, but for other aspects of the relationships between our two countries, and expresses the hope that this government will avoid actions which would impair the harmonious and mutually advantageous trade relations which have been developed between the United States and Canada.

With respect to the two investigations now being conducted by the United States Tariff Commission to determine the effects of imports of oats and groundfish fillets, these actions were instituted in accordance with the provisions of laws which have been in effect in the United States for some time. Your government will appreciate that the executive branch of the United States Government is bound to administer these laws in accordance with their provisions.

The Tariff Commission's investigation concerning United States imports of oats is being undertaken under the provisions of Section 22 of the Agricultural Adjustment Act, as amended, to determine whether oats are being imported into the United States or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the price support operations with respect to oats.

The Commission's investigation of imports of groundfish fillets has been instituted under Section 7 of the Trade Agreements Extension Act of 1951, to determine whether certain groundfish products are being imported into the United States in

such increased quantities as to cause or threaten serious injury to the domestic industry.

While it is not possible to predict what the outcome of those investigations may be, the fact that they have been instituted does not necessarily mean that restrictions will be imposed on imports. To the contrary, many such investigations, as, for example, the earlier Tariff Commission investigation of groundfish fillets instituted in 1951, are completed without the imposition of restrictions on imports.

This government fully appreciates the need of achieving an expanded volume of international trade and sound economic relations with friendly countries. It also recognizes the need of the free world to develop through cooperative action a strong and self-supporting economic system capable of providing both the military strength to deter aggression and the rising productivity that can improve living standards. For these reasons, a basic problem confronting this government is whether existing laws, regulations, and administrative procedures of the United States relating to international trade are appropriate in our national interest, having in mind the fact that our national interest is inseparable from that of the other nations of the free world.

The answer to this complex problem is not easy to frame. As the Ambassador may know, the Congress of the United States, at the request of the President, has authorized the establishment of a bipartisan commission, to be known as the Commission on Foreign Economic Policy, to explore this problem thoroughly and has directed the Commission to report, in the early part of 1954, its recommendations concerning policies, measures and practices that this government should follow to achieve an expanded volume of international trade. During the intervening months it is the intention of the United States Government to keep clearly in mind the fact that the free world cannot be strong without a high level of international trade. Text ends.

855. DEA/6780-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2485 Washington, November 2, 1953

CONFIDENTIAL. IMMEDIATE.

TARIFF COMMISSION FINDINGS ON OATS

Following for the Minister, Begins: On Saturday afternoon we spoke over the telephone to John Leddy, Director of the Office of Economic Defence and Trade Policy in the State Department, and asked whether he could confirm or deny the report which had reached Mr. Howe that the United States Tariff Commission had recommended to the President increased protection on oats. Leddy said that he was not yet in a position to do so, but hoped to be able to tell us today. He explained that, in

the case of hearings held before the Tariff Commission under the escape clause of the Trade Agreements Act, there was an established administrative procedure whereby governments with a substantial interest in the commodity being investigated were informed of the Tariff Commission's findings as soon as they were made, so that there would be time for them to submit representations before the President took action. No such procedure had become established in the case of hearings before the Tariff Commission under Section 22 of the Agricultural Adjustment Act — the Section under which the Commission had held its investigation on oats. However, the State Department had recommended to the White House that the same procedure should be followed in cases brought to the Commission under Section 22 of the Agricultural Adjustment Act as in cases brought under the Trade Agreements Act. Leddy thought this recommendation would be accepted.

2. We will get in touch with Leddy later today and let you know whatever he is able to tell us. Ends.

856. PCO/U-12-3

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2573 Washington, November 10, 1953

CONFIDENTIAL. IMMEDIATE.

TARIFF COMMISSION FINDINGS ON OATS

Reference: Our teletype WA-2485 of November 2.

The State Department have not yet been able to inform us officially of the substance of the Tariff Commission's recommendations on oats. However, in a private and confidential way, Schaetzel,[96] in Mr. Waugh's[97] office, has confirmed that the Tariff Commission has recommended a quota of 23 million bushels. He also said that there is every hope in the State Department that the President will reject this recommendation.

2. Yesterday Ray Vernon, Deputy Director of the Office of Economic Defence and Trade Policy in the State Department, who is now on loan to the Commission on Foreign Economic Policy, gave us in confidence some further information about the Tariff Commission's findings. He said that the Tariff Commission had not been able to discover that any injury was being done to the price support programme for

[96] J. Robert Schaetzel, assistant spécial du secrétaire d'État adjoint aux Affaires économiques, Département d'État des États-Unis.
J. Robert Schaetzel, Special Assistant to Assistant Secretary of State for Economic Affairs of United States.

[97] Samuel C. Waugh, secrétaire d'État adjoint aux Affaires économiques, Département d'État des États-Unis.
Samuel C. Waugh, Assistant Secretary for Economic Affairs, Department of State of United States.

oats by imports from Canada or elsewhere. In fact, there would be no difficulty this year in selling all the oats that would be produced in the United States; and normal imports from Canada could easily be absorbed. In order to reach their recommendation for a restrictive quota, the Commissioners had been forced to consider all feed grains instead of concentrating only on oats.

3. Vernon also let us know the gist of a letter which has been sent by the Secretary of State to the President commenting on the Tariff Commission's findings. In the first place, he said, the State Department had questioned the legality of the Tariff Commission widening the scope of the inquiry it had undertaken under Section 22 of the Agricultural Adjustment Act. The State Department's letter had then gone on to argue that if the investigation was confined to oats, the facts were such that interference with the price support programme because of imports could not be shown. If, alternatively, the investigation were widened — with questionable legality — to include all feed grains, the State Department believed that a restrictive quota would worsen, rather than improve, the existing situation since it could be expected to result in sharper competitions from Canadian feed grains in third markets.

4. You will appreciate that since this information was given to us privately, it should be used with very considerable discretion.

857. DEA/6780-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2574 Washington, November 11, 1953

SECRET. IMMEDIATE.

VISIT OF PRESIDENT EISENHOWER TO OTTAWA — ECONOMIC DISCUSSIONS

Reference: Our teletype WA-2573 of November 10.

We assume that during the President's visit to Ottawa there may be some opportunity of discussing with him foreign economic policy. We also assume that any discussion that takes place on this subject will be both brief and informal. If that is the case, I imagine that some opportunity will be taken to express again to the President our hope that the work of the Commission on Foreign Economic Policy will lead to positive action by the United States Government to reduce present obstacles to trade in US tariff legislation and US customs procedures and so facilitate an expansion of trade on a world-wide basis.

2. So far as particular issues between Canada and the US are concerned, we think that the one which should be singled out for discussion with the President is the Tariff Commission's recent recommendation for a restrictive quota on oats. We understand from the State Department that the President will be considering this

recommendation shortly after his return to Washington, so that it would seem opportune to remind him, while he is in Ottawa, of Canada's interest in seeing that increased protection against oats is avoided.

3. This recommendation is made in the knowledge that a corollary may well be that nothing can be said to the President about the Tariff Commission's hearings either on lead and zinc or on groundfish fillets. In our opinion, that consequence should be accepted since we are likely to defeat our own ends if we always press home with equal force the Canadian case on every economic problem at issue between our two countries. We are more likely to be successful if we pick and choose a little and modulate our representations as each occasion arises.

4. One reason for our recommendation that such time as may be available for economic discussion should be used to talk about oats (even to the possible exclusion of any discussion of other commodities in which we are interested) is that observers from this mission who have attended the Tariff Commission's hearings on lead and zinc have been moderately encouraged by the trend of the Commissioners' questions and think it is well within the bounds of possibility that the Commission may not recommend any increase in the protection now given to domestic producers of those commodities. This may prove to be an overly sanguine appreciation. But in any event, the Tariff Commission has not yet made any findings either on lead and zinc or on groundfish fillets. In the case of oats, on the other hand, we know that the Tariff Commission has submitted recommendations that are adverse to our interests. Moreover, since the Prime Minister has already written to the President on this issue, any further representations could most appropriately be made by Mr. St. Laurent personally.

5. So far as lead and zinc are concerned, you will remember that when Mr. Howe was in Washington last month, he discussed minerals and metals policy with members of the US Cabinet in the Joint Industrial Mobilization Committee, and urged that no action should be taken by the US Government which would interfere with these strategic materials being used on a continental basis. We think that the case presented by Mr. Howe has had a good effect here; and we doubt whether it would be necessary to reinforce it in the course of further discussions in Ottawa. There would also be advantage, in our opinion, in picking an example to discuss with the President which would enable us to vary our line of argument. In the case of lead and zinc, the most powerful argument available to us is that in time of war Canadian production of these metals could readily be made available to the US and their movement across the border would not be subject to interruption by enemy action. That is an argument which we should certainly not forego. On the other hand, if it were used too constantly with the US authorities, it might gradually lead them to the conclusion that the Canadian Government was comparatively indifferent to the volume of US trade with other countries, so long as trade barriers were not increased along the border between Canada and the US. As we all know, however, we must sell a very large portion of the goods we produce in over-seas markets and we can do so advantageously only if those third countries are put in possession of US dollars. To my mind, a further reason for singling out oats for discussion with the President is that the arguments which would naturally occur to any Canadian in urging that an increase in US protection on this commodity should be avoided,

would lead inevitably to some mention of the importance, for the strength of the free world as a whole, of a more liberal US commercial policy. It would seem to us here to be all the more important to stress the validity of that general proposition at a time when a joint committee on economic and trade questions is being established between Canada and the US.

858. L.S.L./Vol 174

Note du ministre du Commerce pour le premier ministre

Memorandum from Minister of Trade and Commerce to Prime Minister

PERSONAL AND CONFIDENTIAL Ottawa, November 12, 1953

I have read teletype WA-2574 from Washington, which suggests that your discussion with President Eisenhower on economic matters be confined to the subject of oats.

I think this is a mistake, particularly as Ambassador Stuart has assured me that President Eisenhower will not sign the report of the Tariff Commission, and has expressed the view that we in Canada would do well to drop the matter. I informed Mr. Pearson of the Ambassador's view and I understand that he is acting accordingly.

I suggest your discussion should take the line that Canada and the United States should hold the line on tariff matters until the President has received the report of his Economic Commission. That was the position adopted by GATT, where all countries agreed to extend existing concessions for eighteen months.

You may wish to suggest to the President that any action taken in the meantime will have an adverse affect in all GATT countries and tend to create the impression that concessions made at GATT by the US cannot be relied upon.

While groundfish fillets and lead and zinc have both received the attention of the Tariff Commission, I am rather optimistic about the nature of the report that the Tariff Commission will make on both. It seems to me unwise to concentrate on any particular item in your discussions with the President, as this may possibly lead to his suggestion of a compromise that would allow him to take action against Canada on one of the items in which we are interested.[98]

C.D. HOWE

[98] Voir les documents 664, 665./See Documents 664, 665.

859. DEA/6780-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

DESPATCH 2254 Washington, November 24, 1953

CONFIDENTIAL

UNITED STATES TARIFF COMMISSION FINDINGS ON OATS

Reference: Our teletype No. WA-2573 of November 10, 1953.

We thought that you might like to have for your files copies of a note which we have placed on the files here concerning discussions that took place over the telephone on the 19th of November between Washington and Ottawa about the possibility of a quota on oats. Two copies of the minute we have placed on our files are attached.

D.V. LEPAN
for the Ambassador

[PIÈCE JOINTE/ENCLOSURE]

Compte rendu des discussions au téléphone, 19 novembre 1953

Note on Telephone Discussions, November 19, 1953

CONFIDENTIAL

UNITED STATES TARIFF COMMISSION FINDINGS ON OATS

On Thursday the 19th of November we learned from two sources in the State Department that a report was being put about by the United States Department of Agriculture that the Canadian authorities might not object to a modified scheme for a quota on oats that was under consideration within the United States Government. This claim was allegedly based on a telephone conversation that had taken place between Mr. Whipple, Director of the Office of Foreign Agricultural Relations in the Department of Agriculture and Mr. George McIvor, Chief Commissioner of the Canadian Wheat Board. The State Department were very perturbed by the report since it was at variance with the information they had been giving to the White House and also since President Eisenhower was to hold a meeting at 2:00 o'clock that afternoon to consider the recommendation made by the United States Tariff Commission for a restrictive quota on oats.

2. The Commercial Counsellor, Mr. Guy Smith, at once got in touch over the telephone with Mr. Mitchell Sharp, Assistant Deputy Minister of Trade and Commerce, and told him of the report that had been received from the State Department. Mr. Sharp said that it was quite contrary to the policy of the Canadian Government to accept a quota of any kind on oats and for that reason Mr. McIvor could not have

agreed to the modified proposal. He undertook to try to have Mr. McIvor speak to the United States Department of Agriculture and set the matter straight. This information was passed on at once to the State Department. We understand that later in the afternoon Mr. W.C. McNamara, Assistant Chief Commissioner of the Canadian Wheat Board, spoke to Mr. Whipple.

3. About noon we learned from Mr. Leonard Weiss, of the Office of Economic Defence and Trade Policy in the State Department, that the compromise proposal which was being considered within the United States Government was for a quota of 23 million bushels, which would run from whenever President Eisenhower issued a proclamation (say, on the 20th of November, 1953) through the 30th of September, 1954. Since it is estimated that since last July Canada's export of oats to the United States have amounted to some 30 million bushels, the Department of Agriculture here were arguing that this modified proposal would permit Canada to ship 53 million bushels by the end of next September, which they claim would be a not ungenerous amount. Mr. Weiss added, however, that according to the State Department's calculations such a proposal would tend to establish an annual quota of only some 34 million bushels. Mr. Weiss said that the information received from Mr. Sharp would be very helpful; but if it were possible to obtain from an even more authoritative source a denial of the report being circulated by the United States Department of Agriculture, that would probably be advisable.

4. Accordingly, Mr. LePan spoke over the telephone to the Minister of Trade and Commerce and reported to him the story which had reached us by way of the State Department. Mr. Howe said that he could not believe that Mr. McIvor had in any way indicated that a quota on oats might be acceptable to Canada. If he had done so, such a suggestion was completely unauthorized. The Canadian Government was definitely opposed to any quota on oats; and if one were imposed it would be necessary at once to examine United States exports of fruits and vegetables to Canada to see what action should be taken. We conveyed these remarks of Mr. Howe's to Mr. T.V. Kalijarvi, Deputy Assistant Secretary for Economic Affairs in the State Department, who was holding a meeting in his office over the lunch hour in preparation for the larger meeting to be held at 2:00 o'clock in the White House. Mr. Kalijarvi said that Mr. Howe's re-affirmation of the Canadian position on this issue would be extremely helpful to him at the meeting with President Eisenhower which was to take place in a few minutes.

5. We have not been able to ascertain what decision, if any, was reached at the meeting at the White House.

D.V. LePan

860. DEA/6780-40

Note de la Direction économique
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Economic Division
to Under-Secretary of State for External Affairs

Ottawa, December 2, 1953

TOP SECRET. FOR DEPARTMENTAL EYES ONLY.

RESTRICTIONS ON IMPORTS OF CANADIAN OATS INTO THE UNITED STATES

Mr. LePan telephoned from Washington this afternoon to report on some conversations which he and Mr. Heeney had had on this subject and to seek our advice.

2. From the various conversations which they have had, Mr. LePan and Mr. Heeney are quite certain that the US Administration will shortly announce that, on the basis of its consideration of the recommendations received from the Tariff Board, it will shortly be imposing quota limitations on imports of oats. They gather from "very reliable sources" that, prior to any such announcement, emissaries (including a member of the White House staff) will be sent up to Ottawa to explain the position. According to their information, the likelihood is that Mr. Sherman Adams will make the trip, possibly accompanied by the Chairman of the Commodity Credit Corporation (although Mr. Don Bliss has told Heeney and LePan that he has been trying to discourage the latter from going). They also understand that the visit is likely to take place over this weekend and that the US party expect to discuss the matter with Mr. Howe (with whom they appear to have been in touch informally).

3. The question which Mr. LePan wanted to raise was whether we felt that an attempt should be made even at this stage to bring any exchanges between Ottawa and Washington on this subject back into "official channels". He did not think that the making of formal representations to the State Department (which would have to be based on newspaper rumours of the impending announcement by the US Government since we have had no official indication of their intentions) would be likely to have any effect on the decision by the US Administration regarding the importation of oats. Nevertheless, he thought that we might consider it desirable to have some official record of representations made in Washington (subsequent to the note of last July) to which reference could be made when the US action is announced and becomes the subject of some controversy in our House of Commons. He appreciated that any suggestion which might cut across, or call in question, the exchanges which were now envisaged through informal channels would have to be handled very delicately — if at all — and Mr. Howe might have rather strong personal reactions to any such intervention by External Affairs. Nonetheless, he thought that we should know of the situation and should have an opportunity to consider whether or not something should be done.

4. My own feeling is that, as a practical matter, it would be difficult, to say the least, for us to suggest any procedure now which would appear to interfere with the conversations which Mr. Howe is expecting to have this weekend[99] (even though Mr. Howe presumably would not know that we were aware of the plans for any such conversations). I do not see on what basis it would be possible for us to propose to Trade and Commerce and other Departments that further representations should be made at this time concerning the action which the US Administration is likely to take when those representations would have to refer to only newspaper rumours. I am also not sure that, for the purpose of discussions in the House of Commons, another note on the record would be more satisfactory than a statement by Mr. Howe on any conversations which he might have had with Mr. Adams. I shall, however, attempt to find out discreetly what officials in Trade and Commerce may know about Mr. Howe's intentions, and I shall also ascertain (equally discreetly) John Deutsch's views concerning the possible basis on which we might make further representations to the State Department before the US Government's decision is announced.

A.E. RITCHIE

861. DEA/6780-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, December 4, 1953

UNITED STATES TARIFF COMMISSION RECOMMENDATION ON IMPORT OF OATS

Early this year when the price of oats in North Dakota fell to some 10¢ a bushel below the loan level under the US Price Support Programme, the United States authorities requested the cooperation of the Canadian authorities in seeing that oats did not move into the trouble areas and certain measures were taken informally and reluctantly to endeavour to avoid these shipments. However, the US Department of Agriculture remained under strong pressure to take action under Section 22 of the Agricultural Adjustment Act to impose a quota on imports of Canadian oats. In due course the US Department of Agriculture submitted an application to the Tariff Commission for a hearing on oats and these hearings were held last July.

We were deeply disturbed at this application because restrictions on oats would very seriously affect certain Canadian interests and because the reference to the Tariff Commission was instituted by a US Government department. You will recall

[99] L'annotation suivante a été dactylographiée sur notre copie du document :
The following was typed on this copy of the document:
I have now heard that in fact the conversations are likely to take place tomorrow (Thursday) — which makes it virtually impossible for anything to be done through diplomatic channels even if that otherwise seemed desirable.

that pressure was brought to bear on the US in a number of forms. Mr. McIvor of the Wheat Board appeared before the Commission on July 8th and attempted to explain the position of Canadian producers. While observing that it was true that Canada had been selling large quantities of oats to the United States in recent years (something like 75 million bushels annually), nevertheless these sales represented only a very small fraction of total US consumption and therefore probably had a negligible effect on US price levels. It was therefore doubtful that it could be said that Canadian exports interfered significantly with the US Price Support Programme. He also pointed out that if the US market were restricted, there would have to be a readjustment of wheat acreage in Western Canada and this would mean a larger acreage devoted to wheat, aggravating the surplus problem for both the US and Canada. He reminded the Tariff Commission that the increase in US imports of Canadian oats was in line with the general increase in trade between Canada and the United States and had a counterpart in the present high level of Canadian purchases of significant US agricultural products.

On July 20th we presented a note to the State Department expressing concern about the hearings on oats and groundfish fillets. In addition, the Prime Minister sent a personal letter to President Eisenhower on July 17th in which he indicated in fairly strong terms that if our trade in oats were to be restricted it might well become impossible for Canada to avoid the adoption of retaliatory measures against the United States.

The possibility of retaliation has been given a good deal of attention here since it first became apparent that reference would be made to the US Tariff Commission. In April the Minister of Trade and Commerce indicated that if restrictions were imposed, it might be desirable for Canada to be in a position to take retaliatory action at once against certain United States exports such as citrus fruits. One problem was that, as the law stood, the Government had very limited powers of retaliation. It appears that the only way in which it might be possible to take retaliatory action under existing legislation may be to reimpose by Order-in-Council general tariff rates to replace existing most-favoured-nation rates in those cases where the latter rates are not incorporated in legislation.

For some time now there has been speculation on the nature of the Tariff Commission's Report to the President. There is an established administrative procedure in Washington whereby governments with a substantial interest in the commodity being investigated are informed of the Tariff Commission's findings as soon as they are made. While no direct consultation with us has yet taken place we have heard through reliable sources that the recommendation to the President does in fact recommend an import quota on Canadian oats and that a quota of 23 million bushels is under consideration. From our point of view calculations on what would be a reasonable quota are beside the point but it is useful to note that the thinking in Washington is said to be along the following lines. It is estimated that since last July Canadian exports of oats to the United States have amounted to some 30 million bushels. A quota of 23 million bushels for the current crop year would permit Canada to ship 53 million bushels by the end of September. The State Department calculate that such a proposal would tend to establish an annual quota of some 34 million bushels.

In a memorandum to you of July 14th it was pointed out that any retaliatory measures will undoubtedly have a great symbolic significance since they would substantially alter the generally cooperative basis on which the United States and Canada have dealt with their economic problems since the war and might be taken as heralding the beginning of a much more acrimonious phase in our commercial relations. Moreover, it would seem to be virtually impossible to choose any retaliatory measures which would not injure some Canadian interests, including Canadian consumers.

C. R[ITCHIE]
for H.H. W[rong]

862. DEA/6780-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-2088 Ottawa, December 6, 1953

TOP SECRET. IMPORTANT.

MEETING WITH US RE OATS

I am sending you herewith a Memorandum to the Prime Minister on this meeting, which was held last night at the American Embassy in a very friendly and informal atmosphere, Begins:

1. With Mr. Howe and Mr. George McIvor of the Wheat Board, I attended a meeting yesterday evening at the US Ambassador's residence at which we discussed the proposed US action on the import of oats from Canada with the following United States officials, who had, with the exception of Mr. Stuart and Mr. Bliss, flown up from Washington that afternoon for this purpose:

The US Ambassador, Mr. Stuart;
Mr. Sherman Adams, the Assistant to the President of the United States;
Mr. Gabriel Hauge, Administrative Assistant to the President;
Mr. Howard Gordon, Administrator of the Commodity Stabilization Service, US Department of Agriculture;
Mr. John Leddy, Director of Office of Economic Defense and Trade Policy, US Department of State;
Mr. Donald Bliss, US Embassy.

2. Mr. Adams and Mr. Gordon were very frank in outlining the difficulties, political and Congressional, which the President would have if he did not take some action in respect of the recommendation of the Tariff Board on oats and which has been on his desk now for some weeks. He asked for our sympathetic understanding of these difficulties.

3. Mr. Gordon and Mr. McIvor then exchanged views which were naturally not always identical on the effect of the proposed action on Canadian exports and on the statistical picture of the trade in this and other grains.

4. Mr. Howe said that the proposed action on oats was a violation of GATT and would have to be taken seriously by the Canadian Government as it affected agreements which had been made at GATT and which were now being modified by this proposed unilateral action on oats. We had done our best to avoid formal action at GATT in respect of a previous violation over dairy products, but as far as oats are concerned, if the action recommended by the Tariff Board in Washington was taken we would call a meeting of the GATT Contracting Parties, ask for a formal decision that a violation had taken place and then would have to take certain retaliatory action on things like fruits and vegetables, which might cause the Administration in Washington as much trouble as that which came from the pressure to which they had been subjected on oats and rye.

5. Mr. Howe asked John Leddy if, as a GATT expert, he did not think that such a course by the Canadian Government would be justifiable and indeed unavoidable. Mr. Leddy naturally demurred but did not put up a very strong defence of the American position. except to say that they could and would argue at GATT that a violation had not occurred and that he hoped that a dispute of this kind could be avoided.

6. I indicated that the action proposed by the United States would cause a strong negative reaction in Canada, especially at the present time, which was to be deplored. I also mentioned that if, on every occasion when the United States Government got into domestic difficulties over surpluses, which difficulties would be exploited by pressure groups, they tried to get out of them by taking action which violated an international agreement, we would be in continuous trouble.

7. Sherman Adams indicated he was very conscious of the complexity of the problem and the undesirability of allowing it to cause trouble between Canada and the United States. They must do everything possible to avoid this.

8. In the discussion which followed, Mr. Howe referred to the happy experience of the war when, in cases where Canadian exports were causing trouble to the United States authorities, the Canadian Government — through Mr. Howe — was able on its part to take the necessary remedial action without any regulation being required in Washington aimed against Canadian exports. He wondered whether the same procedure could not be adopted on this occasion.

9. This possibility was explored at considerable length. As a result, the following solution was agreed on.

10. President Eisenhower would send a memorandum to the Secretary of State referring to the Tariff Board recommendation on oats and asking him to explain the position to the Canadian Government in the hope that some action might be taken here which would be helpful in solving this problem. The Secretary of State would take the action requested, and the Canadian Government would reply to the effect that they would control the export of oats to the United States for the period from December 10 to October 1 so that only 23 million bushels would go to that country. This would be considered satisfactory by the American Government and the President therefore would not take any action on the Tariff Board recommendation. Next summer the position would be reviewed by the Canadian and American authorities.

11. In so far as rye was concerned, Mr. Howe did not feel that the situation would be quite so serious if restrictive action were taken in Washington, even though such action from our point of view was undesirable. It might be possible in such circumstances to avoid a formal appeal to GATT and retaliatory action. It was agreed, however, that every effort should be made to avoid any action on rye until after the US-Canadian Ministerial Committee had met. At that meeting, the rye situation might be looked into.

12. We can, I think, expect the note from the Secretary of State on oats referred to above, to be delivered to the Embassy in Washington towards the end of next week. It was hoped that a reply on our part could be made at once.

13. There was some discussion regarding the first meeting of the Joint Canadian-US Ministerial Committee. It was felt that this meeting might take place toward the end of February with a preliminary meeting of officials to be held a fortnight or so before. It was also felt that there should be a Canadian and American secretary appointed for the Committee.

14. There was general agreement that at the first meeting there should be a full discussion of agricultural and trade questions to see if something could not be done to prevent difficulties and problems that seemed to be accumulating. I suggested that the agenda item on this point might read, "Canadian-US agricultural policies and their relation to international trade". There was no demur at this.

15. In order to disguise (ineffectively as it has turned out) the true nature of our meeting, a press statement was issued last night in the following terms:

"Preliminary discussions were held today in Ottawa between officials of the United States and Canadian Governments looking toward the first meeting of the newly established Joint United States-Canadian Committee on Trade and Economic Affairs. Both President Eisenhower and Prime Minister St-Laurent have expressed the hope that the work of this Committee can get underway as soon as possible." Ends.

863. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], December 11, 1953

OATS; RESTRICTION ON SHIPMENTS TO THE UNITED STATES

1. *The Prime Minister* said the US Tariff Commission had recommended to the President, recently, that imports of Canadian oats should be limited by quota. In order to avoid the continuing ill effects of a US quota on Canadian exports, it would be desirable to deal with the problem by some alternative method.

Discussions had been held between the Minister of Trade and Commerce and the Secretary of State for External Affairs and American officials concerned, as a result of which a tentative agreement had been reached whereby the Canadian gov-

ernment would voluntarily limit the export of oats to the United States to 23 million bushels from December 10th, 1953 to September 30th, 1954.

To implement this arrangement, an exchange of letters between the US Secretary of State and the Secretary of State for External Affairs for Canada was proposed, and drafts had been prepared which were understood to be acceptable to the United States Administration.

The letter from the US Secretary of State would explain that his government had been faced with problems of increasing seriousness in the accumulation of surplus agricultural products. These surpluses might threaten to disturb orderly marketing arrangements and, in particular, unless steps were taken to ensure that imports of oats would not interfere with orderly marketing of oats in the United States, a critical situation would develop which would be damaging to the farming industry of both countries. It would be suggested that shipments from Canada be limited to the amounts mentioned above.

In reply, it was proposed to state that the Canadian government, as a temporary measure and without obligation, would take all practical steps to limit shipments of oats to the United States to the extent and for the period suggested. It would be made clear that Canada would reconsider this decision in the event that substantial quantities of oats were imported into the United States from other countries.

(Draft exchange of letters between Acting US Secretary of State and Acting Secretary of State for External Affairs, Dec. 7, and Dec. 11, 1953)†

2. *In the course of discussion*, the following points emerged:

(a) If some arrangement as suggested in the draft Exchange of Notes were not agreed to, it was likely that the President would have to act upon the US Tariff Commission recommendation and impose a quota of 23 million bushels against Canada. It would be very difficult to revoke such a regulation in the future.

(b) If the United States actually applied the quota as recommended by the US Tariff Commission, Canada would appeal under the provisions of the GATT and most probably win its case. In the circumstances, reprisal action might be taken on US imports of fresh fruit, vegetables and cotton, but this would lead to serious consequences in both countries and it appeared desirable to deal with the problem as suggested.

(c) Canada had already shipped 48 million bushels of oats to the United States in the current crop year. Despite the proposed limitation on exports, it would be doubtful if, in fact, 23 million bushels would be available for export to the United States for the balance of the year.

(d) Canada was running a deficit with the United States in our ordinary trade to the extent of approximately $1 billion. In the light of the trade balance between the two countries the US suggestion was unfortunate but there appeared to be no alternative to the suggested solution.

3. *The Cabinet* agreed:

(a) that letters in the terms submitted providing for limitation of exports of oats to the United States, to the extent of 23 million bushels between December 11th, 1953

and September 30th, 1954, be exchanged between the Acting Secretary of State for the United States and the Acting Secretary of State for External Affairs; and

(b) that the Minister of Trade and Commerce table the exchange of correspondence in the House of Commons on Monday, December 14th and, at the same time, make a statement explaining the arrangements that had been made.[100]

. . .

6e PARTIE/PART 6

PÊCHERIES : CONVENTION SUR LES PÊCHERIES DE FLÉTAN DU PACIFIQUE NORD
FISHERIES: NORTH PACIFIC HALIBUT FISHERY CONVENTION

864. PCO

Note du ministre des Pêcheries pour le Cabinet

Memorandum from Minister of Fisheries to Cabinet

Ottawa, February 24, 1953

RE: CONVENTION BETWEEN CANADA AND THE UNITED STATES OF AMERICA FOR THE PRESERVATION OF HALIBUT FISHERY OF THE NORTH PACIFIC OCEAN AND BERING SEA: PROPOSED REVISION

This treaty was negotiated between Canada and the United States in 1923. It provided a closed season for halibut and established a commission of four — two from each country — for investigating and recommending to the two governments measures for restoring the dwindling stocks of halibut.

The Convention was revised in 1930, when powers of making regulations subject to approval of the two governments were bestowed on the Commission. These powers were further extended in the 1937 revision of the Convention which is in effect today.

During the past three years negotiations took place on the official level for a further revision of the Convention.

After several drafts passed back and forth between us and the United States, the following new substantive provisions have met with general approval on both sides.

(1) The name of the Commission, now known as "The International Fisheries Commission" is to be changed to that of "The International Pacific Halibut Commission". The reason for the change is to enable ready identification and to distinguish the Commission from other fishery commissions which we now have.

---

[100] Canada, *Débats de la Chambre des communes*, session 1953-1954, volume I, décembre 14, pp. 917-918.
Canada, House of Commons, *Debates*, Session 1953-1954, Volume I, December 14, pp. 861-2.

(2) The number of commissioners is to be increased from four to six — three from each country. This was a United States proposal. The reason for it is that in the United States, unlike in Canada, fishery jurisdiction is vested in each state and the federal government only acquires some jurisdiction by virtue of a treaty made with another country. In this case the United States government wanted to give Alaska representation on the Commission. The two commissioners now appointed represent the federal government and the industry at large.

(3) The Commission is to have power to establish more than one open season. There was some doubt as to the Commission's power to do this under the existing treaty. The granting of this power was considered necessary to allow the Commission to extend fishing over more than one period of time. The scientists of the Commission advanced the hypothesis that during a concentrated short season, some fishing grounds may be under-exploited. The experiment of dividing up the season would be useful to determine to some extent whether this hypothesis is correct.

(4) Power to limit or prohibit the incidental catch of halibut that may be taken by vessels fishing for other species. The Commission already has power to regulate the catch of halibut taken incidentally during the closed season by boats fishing for other species. The additional power would give the Commission the right to regulate such incidental catch also during the open season.

The Secretary of State for External Affairs concurs in this recommendation to Cabinet. It is our desire to have the treaty signed in Ottawa on March 2nd, that being the 30th anniversary of the signing of the first Halibut Convention. That was the first treaty to be signed by Canada in her own right and the Canadian signatory then was the father of the present Minister of Veterans' Affairs. I recommend therefore that the Canadian signatories on this occasion be the Honourable Hugues Lapointe and myself.

Respectfully submitted,

JAMES SINCLAIR

865. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], February 26, 1953

. . .

CANADA-UNITED STATES NORTH PACIFIC HALIBUT FISHERY CONVENTION; PROPOSED REVISION

30. *The Minister of Fisheries* reported that, following lengthy discussions, representatives of Canada and the United States had agreed on a revision of the North Pacific Halibut Fishery Convention which had originally been signed by Canada and the United States in 1923. The Canadian signatory at that time had been the late Right Honourable Ernest Lapointe. He recommended that authority be granted

for himself and the Minister of Veterans Affairs, or either of them, to sign the revised Convention at Ottawa on March 2nd. The Secretary of State concurred in this recommendation.

An explanatory note had been circulated.

(Minister's memorandum, Feb. 24, 1953 — Cab. Doc. 55-53)

31. *The Cabinet*, after discussion, approved the recommendation of the Minister of Fisheries as concurred in by the Secretary of State for External Affairs and agreed that the Minister of Veterans Affairs and the Minister of Fisheries, or either of them, be granted Full Powers to sign, at Ottawa on March 2nd, the revised North Pacific Halibut Fishery Convention with the United States; an Order-in-Council to be passed accordingly.

(Order-in-Council P.C. 1953-300, Feb. 26)†[101]

. . .

7e PARTIE/PART 7

LE SYSTÈME DES GRANDS LACS
GREAT LAKES SYSTEM

SECTION A

LE BARRAGE GUT
GUT DAM

866. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], January 22, 1953

. . .

GUT DAM; PROCEDURE FOR DISPOSAL OF US DAMAGE CLAIMS

7. *The Secretary of State for External Affairs* referring to discussion at the meeting of November 17th, 1952 said the US State Department had agreed to discuss with Canadian representatives the possibility of establishing some uniform procedure for the disposal of US claims for damages allegedly caused to Lake Ontario riparian owners as a result of the construction and operation of the Gut Dam. Preliminary discussions had taken place at Washington on December 17th, 1952. These discussions were to be continued during the week of January 26th and instructions were now sought as to the sort of proposals the Canadian negotiators might be authorized to approve on behalf of the government.

[101] Canada, *Recueil des traités*, 1953, nº 14.
Canada, *Treaty Series*, 1953, No. 14.

An explanatory note had been circulated.

(Minister's memorandum, Jan. 19, 1953 — Cab. Doc. 16-53)†

8. *The Minister of Finance* thought it was perhaps unfortunate that Canada had, by its note of November 10th, 1952, to the US State Department, recognized in principle her obligation to pay damages to US citizens provided they were attributable to the construction and operation of the Gut Dam. After looking at the history of the Dam, he held the view that Canada had not in fact, waived her immunity in any respect and that the only legal obligation assumed by Canada was in respect of damages that might be caused to property owners on Les Galops Island in the St. Lawrence River. That obligation had been discharged when the Canadian government had purchased for the relatively large amount of $4,000 one acre of land from the US owner of the island. As a consequence, he felt Canadian representatives should make it quite clear that Canada had not waived her immunity in this matter. Furthermore, he did not think that it would be wise at this time to consider submitting to the jurisdiction of any domestic US court.

9. *The Cabinet*, after further discussion, noted the report of the Secretary of State for External Affairs and agreed that,—

(a) during the course of forthcoming talks with the US State Department on the procedure to be followed in the disposal of US claims for damages allegedly arising out of the construction and operation of the Gut Dam, the Canadian representatives attempt, as a first choice, to obtain agreement for the establishment of a mixed arbitral tribunal of three judicial members (Canada and the United States each to select one member and to agree on a third from a third country) or, as a second choice, to seek agreement for the establishment of an arbitral tribunal consisting of a single third national appointed by Canada and the United States from among the best qualified judicial or legal authorities of a third country;

(b) Canadian representatives should not agree to Canada submitting to the jurisdiction of any existing US court without first referring the question back to Cabinet for consideration; and,

(c) as a matter of general principle, Canadian representatives should reassert the position already taken that Canada had not, in fact, waived her sovereign immunity in respect of damages allegedly caused by the construction or operation of the Gut Dam.

. . .

867. DEA/1760-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, February 7, 1953

GUT DAM CLAIMS

As you know, meetings were held in the State Department on January 27 and 28 on this matter. It may be useful for you to know more of what occurred. In the present state of negotiations, however, I believe that the less said in public about Gut Dam the better. Potential Canadian claimants would like to know more. We hope to have cut off some of the source of trouble in agreeing with the State Department on a brief press release, namely, that Canadian representatives had made concrete proposals to the State Department to adjudicate claims for damage attributed to Gut Dam (without specifying whose claims) and these proposals are being studied by the US Government.

2. In New York, Burbridge and Côté met Mr. Wyatt,[102] the attorney for Canada. He accompanied them to Washington for talks with the Ambassador, the attorneys for some of the US claimants against Canada, as well as with Burbridge and Côté. This was very useful both for our officers and Mr. Wyatt.

3. During the first meeting with Jack Tate, Yingling,[103] Vallance, Dean Brown[104] and a couple others of the State Department, the Canadian team propounded the thesis that no immunity had been waived. It was a theory quite as plausible as the US', namely that the immunity had been waived in 1903 and 1904. While Canada holds herself immune from the jurisdiction of US Courts, she is quite prepared to have a mixed arbitral tribunal of three persons examine whether Gut Dam caused damage. Canada is prepared to pay compensation if such a tribunal adjudged that the Dam caused damage. The State Department officials had not read their files and (apart from Vallance) knew little of the past history. Consequently, they had to take the Canadian thesis and offer for arbitration under advisement.

4. Next day, Burbridge and Côté saw Yingling and Vallance in order to give them, from Canadian files, such leads as would allow them to trace their own documents in the Public Archives. In return, Yingling promised to let us have some US documents of theirs to fill gaps in our history. Later that day Burbridge and Côté

---

[102] Inzer B. Wyatt, avocat de New York chargé de représenter les intérêts du Canada.
Inzer B. Wyatt, New York Attorney acting for Canada.

[103] R.T. Yingling, conseiller juridique adjoint aux Affaires européennes, Département d'État des États-Unis.
R.T. Yingling, Assistant Legal Adviser for European Affairs, Department of State of United States.

[104] Probablement L.D. Brown, bureau du Commonwealth et des Affaires de l'Europe du Nord, Département d'État des États-Unis.
Possibly L.D. Brown, Office of British Commonwealth and Northern European Affairs, Department of State of United States.

had a talk with Jack Tate and Yingling. Tate's argument is that it may prove impolitic for the State Department to alienate the goodwill of US citizens by depriving them of their alleged constitutional right of access to the Courts in favour of an international "one-shot" arbitration. All the more so that claimants are always dissatisfied, and, as they may never make a case now, it might be preferable for a US judge to say so. Should the State Department be unable to accept the Canadian proposal for arbitration, it will then make unofficially a *detailed* counter-proposal.

5. In brief, if the State Department accepts the Canadian proposal of a mixed arbitral tribunal (we did NOT put up the proposal of a one-man tribunal), we could, in about three weeks, get down to fixing terms of reference in a draft international agreement. If the State Department makes counter-proposals, they will have to be looked at by the inter-departmental committee and presumably fresh instructions would be asked from Cabinet. No further negotiations could be undertaken in much less than six weeks.

6. One should be mindful, throughout, of the possibility that the attorneys for the Oster's[105] will take the bit in their teeth and proceed to judgment. We would resist this through Wyatt, in New York. But our hand may be forced, all the more so that two further actions by William L. Clay and others were launched on January 20, 1953 in the Court of the District of Northern New York: Clay may either try to get his remedy before Oster or vice-versa!

7. In fine, we must, therefore, await State Department action on our proposals. Should the US claimants decide to force the pace before such action occurs, we may be obliged through a friend at Court to fight the issue of Canada's immunity in the New York Courts.

L.D. W[ILGRESS]

868. DEA/1760-A-40

Note de la Direction de l'Amérique
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from American Division
to Under-Secretary of State for External Affairs

RESTRICTED Ottawa, April 7, 1953

GUT DAM

You will have seen a telegram from Washington in which the State Department declared it was firmly of the view that Canada had waived its immunity in 1903 and that, accordingly, the case should be heard in the USA Courts. Mr. Burbridge and I have been asked to go to Washington to hear the State Department's thesis and the manner in which it suggests the cases could be disposed of.

2. While Mr. Burbridge and I resisted going to Washington without further information being made available, we understand the State Department is reluctant to

---

[105] Lake Ontario Land Development and Beach Protection Association, Inc.

discuss the case further prior to our visit. Mr. Burbridge and I have therefore taken steps to have Mr. Wyatt meet us in Washington for discussions with us possibly on April 9. Mr. Burbridge and I would then meet the State Department officials on April 10.

3. We propose to listen carefully to the proposals, to put forward any views we thought might be helpful to the Canadian case and to conclude by reiterating Canada's immunity. We shall then be in a position to report to you and to the Minister on the likely course of events and to make suggestions as to what should be the Canadian attitude.

4. Do you agree I should go to Washington (Mr. Burbridge is already there) and that we should take the general line indicated above?[106] You may wish to speak to the Minister about this before Thursday.

E.A. CÔTÉ

869. DEA/11597-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

DESPATCH 748 Washington, April 10, 1953

CONFIDENTIAL

GUT DAM CLAIMS

Reference: Despatch 202 of January 30, 1953.†

The meeting today at the State Department on Gut Dam Claims was attended by Mr. Yingling and Mr. Griffin from the Legal Adviser's Office and by Messrs. Côté, Burbridge and Wallis[107] for the Department. (Dean Brown later attended.)

2. Mr. Yingling stated that the State Department had now made a thorough review of the documents on Gut Dam and had come to the conclusion that Canada had waived its sovereign immunity to suit in US courts for damages arising from Gut Dam and, as a consequence, had bound itself to submit to the jurisdiction of the courts in the case of claims against it by United States citizens. Mr. Yingling based his conclusion on the following arguments. First, the formal acknowledgement by the British Ambassador of receipt of the United States Secretary of War's permit to construct Gut Dam with the two conditions contained therein, together with the fact that the Canadian Government subsequently constructed the Gut Dam, indicated that Canada had accepted the two conditions of the permit. The acknowledgement of the Secretary of War's note by the British Ambassador had the binding effect of

[106] Note marginale:/Marginal note:
I agree. W[ilgress]

[107] B.A. Wallis, deuxième secrétaire, ambassade aux États-Unis.
B.A. Wallis, Second Secretary, Embassy in United States.

an "Exchange of Notes", and the fact that the Canadian Government constructed the Dam without officially objecting to the two conditions indicated that it had accepted those conditions. Secondly, the Canadian Minister of Railways and Canals had been the first to offer to meet, in United States courts, claims for damages to the owner of Les Galops Island; subsequently this condition had been expanded by the Secretary of War to include any other US claimants. The fact that the proposal had first come from Canada (even if in a restricted sense) indicated that there had been "a meeting of minds" on the question of Canada's subjection to suit in United States courts.

3. In setting forth the Canadian Government's position, Mr. Burbridge pointed out that bringing a sovereign into a foreign court was a serious matter which required a formal, unequivocal statement of the sovereign's willingness at the time of the action. This was lacking in the Gut Dam case. It was also established in international law that a sovereign does not waive immunity in advance; that he waives it before a specific court and in a specific case. Also, if a sovereign should waive immunity in advance, he would have the right to withdraw his waiver in any specific case. It was, in fact, unprecedented for a sovereign to be brought into a foreign court without the sovereign's consent. This applied particularly in the Gut Dam case since construction of the dam was a public, and not a private, act of the Canadian Government which even the United States restrictive theory of sovereign immunity recognized as entitled to immunity.

4. After further discussion of sovereign immunity, Mr. Yingling gave the State Department's views on a number of points which had been discussed at the meeting of January 27:

(a) Mr. Yingling's position was that a government can waive sovereign immunity in advance and that the waiver need not necessarily be limited in application to any specific case.

(b) The question whether construction of the Gut Dam was a public or private act was moot because Canada had in any case in his opinion, waived its immunity.[108]

(c) The Canadian argument that the Secretary of War went beyond his terms of reference in imposing the two conditions could not be used by Canada, since no foreign government could argue that another government had acted illegally under its own domestic law. At any rate, Mr. Yingling believed that the Secretary of War was acting within the authority that Congress gave him since the 1902 Act of Congress required him to ensure that United States interests would not be harmed and his imposition of the two conditions was in consonance with Congress' requirement.

(d) Mr. Yingling could not accept the argument that the Exchange of Notes with the British Ambassador did not constitute a formal agreement. He also did not believe that the Canadian Government would have constructed the Dam if it had had reservations about accepting these conditions at the time. But even if its subjective interpretation was different and it thought that the conditions would in fact apply

[108] Note marginale:/Marginal note:
completely relevant

only to Les Galops Island, this would not change the objective meaning of the conditions with their application to any possible claimants.

(e) Mr. Yingling's position was that if the Canadian Government considered that it had waived immunity in the case of a suit brought by the owner of Les Galops Island, it had done this in advance of any specific suit in any specific court; moreover, it had thereby in principle forfeited the position that it had not waived immunity in any other cases.

5. In reply to our enquiry whether a United States court would consider itself bound by a State Department expression of opinion on the sovereign immunity of a foreign power, Mr. Yingling said that in principle a court would not be bound to a State Department determination but that in practice there was a hundred-to-one likelihood that it would accept the State Department's views without going into the merits of the case on its own. This would apply in the case both of a determination that a foreign power had sovereign immunity or that it did not. In the Gut Dam case, the United States Administration would probably tell the court, on its own initiative, that it considers that Canada had agreed to submit to United States courts and that it therefore had waived its immunity in this case. The State Department's position was that it was responsible for the protection of its citizens and that it could not agree to any arrangement which would waive the rights which United States citizens possessed or thought they possessed. In this case, Mr. Yingling believed that the United States claimants considered it to their advantage to take court action rather than accept a mixed arbitral tribunal. He could not recommend to them that they waive their rights in their own courts. On the other hand, the State Department also would not recommend to the claimants that they should go to court.

6. Speaking for himself, Mr. Yingling informally asked whether a plan to appoint a single United States arbitrator would be acceptable to Canada as an alternative to litigation in the courts. Mr. Côté replied that such a procedure would be unsatisfactory. The Canadian Government was firmly of the opinion that a mixed tribunal should be set up. He thought it possible, however, as an alternative, that the Government might consider the appointment of a single arbitrator from a third country. Mr. Côté made it clear that if the claimants insisted on taking the matter to court, the Canadian Government would maintain its claim to sovereign immunity through all the legal channels open to it. Such a course would therefore commit the claimants to a great deal of litigation, at great expense. He also believed that if the immunity question were taken to court and Canada won, no further proposals would be forthcoming from Canada on methods for settling claims for damage. Mr. Yingling thought such a course would force the US Government to present the claims to Canada through diplomatic channels.

7. Agreement was reached that the following steps should now be taken. The State Department would have a meeting with counsel for some of the claimants and lay before them the Canadian Government's position together with their own view that Canada had waived its sovereign immunity in this case. The claimants would then have the choice of either opposing Canada or of making suitable alternative proposals which the Canadian Government could consider. Mr. Yingling agreed to

transmit to the Canadian Government any proposals which the claimants might make. In the meantime, it was agreed that no statement would be made to the press until the State Department's meeting with the claimants had taken place. Agreement would be reached between the State Department and the Embassy as to a "press line" which might be taken should questions then arise.

H.H. WRONG

870. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], May 13, 1953

. . .

CLAIMS AGAINST CANADA IN RELATION TO GUT DAM

13. *The Secretary of State for External Affairs*, referring to discussion at the meeting of January 22nd, 1953, said there had been further discussion between Canadian and United States officials, on April 10th, relating to the claims by US property owners of damage resulting from the construction and operation of the Gut Dam. A press report of April 29th said the US claimants had rejected Canadian proposals for arbitration. Possible courses of action were: direct negotiations with the claimants to bring about a method of settlement outside the courts; further discussion with the State Department; and continuance of legal action in the courts. If the first were done, it should be entirely with regard to a method of settlement. Further discussions with the State Department were unlikely to be fruitful. If legal proceedings were pursued, the government should be prepared to fight the immunity issue. A number of recommendations were submitted, including one for the issuance of a press release on the government's position.

An explanatory memorandum was circulated.

(Minister's memorandum, May 13, 1953, and attached draft press release — Cab. Doc. 123-53)†

14. *In the course of discussion* it was suggested that:

(a) The government should continue to contend that Canada was immune from processes in the US courts and should be prepared to take the contention to the highest possible level.

(b) There might be argument that, apart altogether from the agreement of 1903, the government of Canada was liable for damage as an owner of property in the United States which had been used in such a fashion as to cause injury to other property owners.

15. *The Cabinet* approved the recommendations of the Secretary of State for External Affairs and agreed:

(a) that a press release be issued before May 15th, in accordance with the draft submitted, setting forth the Canadian position in relation to claims by United States

property owners of damage resulting from the construction and operation of the Gut Dam;[109]

(b) that, if the claimants wished to discuss matters with Canadian officials, the Department of External Affairs be authorized to enter into such discussions on the basis of seeking some agreed method of settlement, but precluding any reference to compensation the government might pay direct to claimants without an adjudication of claims;

(c) that the State Department be kept fully informed about the Canadian position and if it seemed desirable, the question of a reference to the International Court of Justice be explored; and,

(d) that, if legal action in the United States were pursued, counsel for Canada be authorized to defend Canadian interests by all legal means and, in particular, to contest the immunity issue in whatever courts the proceedings might make necessary.

. . .

871. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], June 12, 1953

. . .

US CLAIMS FOR DAMAGES ARISING FROM GUT DAM; RECENT DEVELOPMENTS

10. *The Secretary of State for External Affairs*, referring to discussion at the meeting of May 13th, 1953, reported that, at meetings held on June 10th, Canadian officials and counsel, representing a majority of US claimants for damages allegedly caused by Gut Dam, had tentatively agreed on the setting up of an international arbitral tribunal very similar to that originally proposed by Canada to the US State Department.

It was contemplated, under the new proposal, that a two-man tribunal, comprising one American and one Canadian judge, would be established under authority of an Exchange of Notes between Canada and the United States to determine liability and award of damages, if any, in respect of the claims of all the members, numbering approximately five thousand, of the Lake Ontario Land-Owners and Beach Protective Association [sic]. It was understood that this Association represented from 90 to 95 percent of all potential claimants in the United States. While the arrangement contemplated might not secure for the government of Canada absolute assurance that no further legal action against Canada would be commenced in the United States, it was likely that, during the course of negotiations, some practical means

[109] Ministère des Affaires extérieures, communiqué de presse nº 34, 15 mai 1953.
Department of External Affairs, Press Release, No. 34, May 15, 1953.

might be found which would effectively protect Canada against such future claims or lawsuits.

It was accordingly recommended that authority be granted for negotiations to be continued along the lines suggested during the meetings between Canadian officials and representatives of US claimants.

An explanatory note was circulated.

(Minister's memorandum, undated, Cab. Doc. 141-53)†

11. *The Cabinet* agreed that officials of the Department of External Affairs and other departments concerned continue negotiations with representatives of the Lake Ontario Land-Owners and Beach Protective Association [sic] with a view to securing the establishment of an international arbitral tribunal along the lines suggested by the Secretary of State for External Affairs for the purpose of determining liability and awarding damages, if any, arising out of the construction and maintenance of Gut Dam; it being understood that any final agreement that might be reached in this matter would be submitted to Cabinet for approval before the question was taken up formally with the US State Department.

. . .

872. DEA/11597-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

DESPATCH X-952 Ottawa, August 21, 1953

RESTRICTED

GUT DAM

Reference: Your despatches No. 203 of January 30† and No. 748 of April 10, 1953.

1. The central position taken by the State Department in advancing United States citizens' claims concerned with Gut Dam has been that, by building the Dam after the issuance on August 18, 1903 of Secretary of War Root's Instrument of Approval, Canada accepted the "Conditions" contained in the Instrument. As a consequence, the State Department argues that Canada must compensate — in the sum agreed with the claimants or determined by the US Courts — *any* United States citizen damaged through the operation of Gut Dam.

2. Without discussing the substance of the claims (the existence of which is denied) Canadian representatives have been unable so far to persuade the State Department that if an agreement to submit to the jurisdiction of the US Courts existed, it accrued only to the benefit of the owner of Les Galops Island. This view is based on the contemporary Canadian documents including the assurances given by the Hon. A.G. Blair and Mr. L.K. Jones in 1903 and was made abundantly clear in Côté's presentation of the case to the State Department on January 27, 1953. The

State Department reaffirmed its contrary views on April 10, 1953 and claimed that Canada had waived its immunity — a claim which was again denied by the Canadian representatives.

3. We have been fortunate enough to secure from the Foreign Office in London photostatic copies of a letter addressed by Elihu Root on August 18, 1903 to the British Ambassador, Sir Michael Herbert, in which he said he had that day signed the Instrument of Approval with Conditions "which are *in accord* with" the assurances given by Messrs. Blair and Jones. These assurances were an undertaking by Canada to compensate only the "owner or occupant" of Les Galops Island for any damages attributable to Gut Dam. On October 26, 1903, Canada bought an acre of land from the owner's heirs for the sum of $4,000 and received a quit-claim for all future damage. From all the contemporary documents including, now, Secretary Root's own letter, it is abundantly clear that the Condition in Secretary Root's Instrument of Approval stipulating unilaterally that Canada would compensate the owner of Les Galops Island and "any other citizen of the United States" was meant by the United States and Canadian Governments to refer only to the "owner or occupant of Les Galops Island".

4. It follows from this meaning of Condition 2 and from Canada's subsequent actions that Canada has fully redeemed its assurances and that no other United States citizen has any rights arising out of the Instrument of Approval. United States citizens might have rights at international law should, for instance, a neighbouring riparian state negligently injure them but this is another point. Accordingly, Canada owes no duty — under the Instrument of Approval — to the United States claimants and has not waived its immunity vis-à-vis any United States citizen with regard to Gut Dam except, possibly, the owner or occupant of Les Galops Island. (That this is not admitted on other grounds is not here material.)

5. I believe, therefore, that the United States Government should be apprised of the newly-found evidence which confirms conclusively the Canadian thesis. We are fully entitled to ask the United States Government to withdraw from the consideration of the Courts of the District of Northern New York the notes of November 10 and 17, 1952, the more so that the Canadian note was submitted without Canada's consent.

6. I am preparing an aide-mémoire which I should like you personally to present to the Legal Adviser of the State Department, Mr. Phleger. Attached is a draft for your perusal and comments.† The purpose of this move is threefold. Firstly, to record formally our views on the subject. Second, to inform the United States claimants, through the State Department, of the strength of the Canadian position. Third, to have at hand a document which might be published if current negotiations for arbitration with the claimants should fail.

7. You may well ask, since I hold these views on the meaning of Condition 2, why the Department should continue negotiations for arbitration with the claimants. It is true that, in your predecessor's note of November 10, 1952, he affirmed that Canada is prepared to compensate United States citizens for damages attributable to Gut Dam "in the sense of" Condition 2 and that it now turns out that this "sense" is to compensate only the owner of Les Galops Island. In good logic, we should break

off negotiations. It is preferable, however, that the claimants themselves should break off the negotiations and that Canada should not appear to be "welching" on what is generally thought to be an undertaking to compensate all-comers. It is also preferable to let the claimants find out for themselves through the State Department (or, alternatively and later, through us, if the need arises) of this new development; being prepared to arbitrate even now shows outwardly some magnanimity even at the expense of logic. Lastly, as there is a tendency in some sections of the USA to establish the principle that a riparian owner takes his land as he finds it and *not* as against a state of nature and that the establishment of such a principle will work against the interests of Canada and the United States in the long run, it is preferable to try to establish by international arbitration — if the claimants are prepared to accept arbitration on these terms when they find out how weak their position really is — the principle that man-made works in waters of this nature should be assessed, as to their potential injurious effect, against a state of nature and *not* as against the state of the shore, of the bed and of the body of water at the time when the claimant acquired the land.

8. Will you please telegraph your comments as soon as possible.

JULES LÉGER
for Secretary of State
for External Affairs

873. DEA/11597-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2032 Washington, September 1, 1953

CONFIDENTIAL. IMPORTANT.

GUT DAM CLAIMS

Reference: Your despatch No. X-952 of the 21st of August.

We are grateful to you for giving us an opportunity to comment on the draft aide-mémoire you have prepared,[110] and also for the very helpful and comprehensive despatch which you sent with it.

2. We can see no objection to trying, in this way, to have the State Department withdraw from the consideration of the District Court of Northern New York the notes of the 10th and 17th of November exchanged between the Canadian and United States Governments, and thereby remove the implication that Canada had waived its sovereign immunity in the case before the Court. On the other hand, we are doubtful whether it will be possible, by the presentation of this aide-mémoire,

[110] Pour le texte de l'aide-mémoire dans sa forme finale, voir le document suivant.
For the text of the aide-mémoire in its final form, see the following document.

to persuade the State Department to take such action, since, if they are beaten back from their present position, they can retire to other arguments and finally come to rest on their interpretation of sovereign immunity which, as you are aware, they maintain is more restricted than that entertained in Canada. However, this is perhaps of little importance since we notice that you do not include withdrawal of the notes among the purposes of the presentation of this aide-mémoire and, we take it, hardly expect that the State Department will agree to take such action.

3. Our comments on the draft are applicable to it chiefly as a document which might serve to convince the United States claimants, through the State Department, of the strength of the Canadian position and also as one which might provide additional justification for the line we have taken, should we ever decide to publish it. Our detailed comments might be listed as follows:

(a) We have refused to become a party to the case brought in the District Court of Northern New York on the grounds that Canada has not waived its sovereign immunity so far as this case is concerned. We should therefore be careful to avoid creating the impression that this recently discovered evidence is necessary in order to substantiate our claim to sovereign immunity in this case. The new evidence should be presented as merely additional material to buttress a case which, in our opinion, was already conclusive. With that end in view, we suggest that the last paragraph on Page 4 should be redrafted to give it a more affirmative tone. The first sentence might be altered to read, "in the Canadian view this recently discovered document *provides additional confirmation of* the position taken in the Canadian note. . . ." In general, it seems to us that all the text preceding the second paragraph on Page 4 should converge to demonstrate the self-sufficiency of our thesis even without the added confirmation provided by the newly discovered document.

(b) We also think that the final sentence of the first paragraph on Page 4 might well be strengthened. It might perhaps be changed to read: "this argument was *contested and found unacceptable* by the Canadian representatives".

(c) At that point, and perhaps at others in the argumentation contained in the draft aide-mémoire, you might consider it advisable to include some brief indication of why the Canadian authorities considered the United States position on immunity invalid even before this new evidence came to light.

(d) The link between the "assurances and statements filed with the War Department" by Mr. L.K. Jones and Mr. Andrew G. Blair, and the "stipulations made by the representatives of the Dominion Government" might be made more explicit in order to establish beyond a doubt that the assurances and stipulations were one and the same thing. One way of doing so might be to state, if this is possible, that no assurances were given to the United States Government by Jones or Blair, other than those contained in the letter of the 10th of February, 1903, from Jones to Major Symons of the United States Corps of Army Engineers and reiterated in the memorandum of the 10th of February, 1903, signed by Blair.

(e) To make the aide-mémoire carry conviction to those without legal training, it might be better, at the end of Paragraph 2 of Page 4, to draw explicitly the conclusion that is enforced by Root's letter. This might be done by adding a sentence along the following lines: "It is obvious that, if the conditions of the instrument of

approval were in accord with the Canadian stipulations, as Secretary Root stated they were, those conditions could not go further than the Canadian stipulations and therefore the conditions must have referred exclusively to damage caused to the owners of Les Galops Islands".

(f) It might be psychologically preferable to begin the aide-mémoire with a reaffirmation of the principle of sovereign immunity (to be followed later by an explanation of why we believe it to be applicable in this case), rather than to mention first the claimants' contention.

874. DEA/11597-40

Le secrétaire d'État aux Affaires extérieures
au Chargé d'affaires aux États-Unis

Secretary of State for External Affairs
to Chargé d'Affaires in United States

TELEGRAM EX-1506 Ottawa, September 4, 1953

CONFIDENTIAL. IMPORTANT.

GUT DAM CLAIMS

Reference: My immediately preceding telegram No. EX-1505 of September 4.†

The following is the final text of the Aide-Mémoire which you have been instructed to hand to Phleger:

Begins:

AIDE-MÉMOIRE

1. The Government of Canada wishes to refer again to the matter of claims arising out of the operation of Gut Dam in which it formally asserted to the State Department its immunity from the jurisdiction of the United States courts. As the State Department has not been prepared to accept the Canadian view on immunity, the Government of Canada now deems it important to review this matter, particularly in the light of a newly found document which has a significant bearing on the question of immunity from jurisdiction.

1A. United States citizens, many of whom are members of the Lake Ontario Land Development and Beach Protection Association, Inc., have claimed that their properties along the south shore of Lake Ontario have been damaged by the operation of Gut Dam constructed in the International Section of the St. Lawrence River by Canada in 1903 and 1904. In an effort to substantiate their claims these United States citizens have instituted in various courts of the United States a number of lawsuits, some of which they have directed against the Government of the United States while in others they have attempted to implead the Government of Canada.

2. One such lawsuit was commenced on October 23, 1952 in the United States District Court for the Northern District of New York by Arthur Oster and others against "Dominion of Canada". The statement of claim was founded in part on an

Act of Congress, approved June 18, 1902, entitled "An Act allowing the construction of a Dam across the St. Lawrence River" and on an Instrument of Approval signed by the United States Secretary of War on August 18, 1903 (photostat copy attached) and alleges *inter alia* that the Government of Canada waived its sovereign immunity from the jurisdiction of the United States courts.

3. On November 10, 1952 the Canadian Ambassador to the United States presented a note to the State Department affirming Canada's immunity from jurisdiction in connection with this suit and asserting that Canada did not consent to be sued and had not waived its immunity from suit. The United States Secretary of State, in a note dated November 17, 1952, concluded that by accepting the Instrument of Approval with the conditions attached thereto, Canada "agreed to submit itself to the jurisdiction of the appropriate courts of the United States where a suit was instituted by an American citizen for damages arising from the construction or operation of the Dam". Without the consent of the Government of Canada and without informing the Government of Canada of the fact, the State Department on December 2, 1952 caused to be filed in the Clerk's Office of the United States District Court for the Northern District of New York a copy of the Canadian Ambassador's note dated November 10, 1952 and of the United States Secretary of State's note of November 17, 1952.

4. On January 27, 1953 a meeting of Canadian and United States representatives was held in the State Department to discuss this matter. The Canadian representatives there indicated that on February 6, 1903 the Canadian Government had concluded, in the light of discussions between Canadian and United States officials, that the construction of Gut Dam could, at worst, only damage the owner of Les Galops Island and that, in order to remove any objections that might possibly occur in the final consideration of the plans by the United States Secretary of War, the Minister of Railways and Canals should be authorized to give an assurance that should the dam cause "damage or detriment" and should the Department of Railways and Canals be unable to arrive at any satisfactory settlement with the party or parties owning the portion of the Island affected, the Government of Canada would pay compensation for the damage that might be done, as may be awarded the owner or occupant, in the proper court of the United States before whom his claims may be brought.

5. On February 10, 1903 the Hon. A.G. Blair gave this formal assurance which was transmitted to the United States Corps of Engineers on that date by Mr. L.K. Jones, Secretary of the Department of Railways and Canals. (Photostat copies of both documents are attached.)†

6. On August 11, 1903 public hearings, called by the United States Secretary of War, were held as a result of complaints made by the sole owner of Les Galops Island. At the hearing the owner did not substantiate his complaints; and, moreover, on the next day he agreed to release Canada from any future claims in consideration for the payment to him by the Government of Canada of the sum of $4,000. (On August 27, 1903 the Canadian Government sanctioned this transaction and the quit-claim was executed by the owner's heirs on October 26, 1903).

7. Having regard to the proposed settlement with the owners of Les Galops Island, the United States Secretary of War on August 18, 1903 approved the construction of the Dam subject to two Conditions, the second of which stipulated that should the construction and operation of the said Dam cause damage to the property owners of Les Galops Island "or to the property of any other citizens of the United States", the Government of Canada shall pay such amount as may be agreed between the parties or as may be awarded by the proper court of the United States before which claims for damages may be brought. On August 19, 1903 the Acting United States Secretary of State, in transmitting the Instrument of Approval to the British Ambassador referred to the Conditions and stated that the United States Secretary of War's action was taken pursuant to the United States Public Law approved on June 18, 1902 and "upon assurances and statements filed with the War Department from Mr. L.K. Jones and Mr. Andrew G. Blair, Minister of Railways and Canals in Canada".

8. At the meeting held on January 27, 1953 in the State Department, the Canadian representatives affirmed that the only person whom the United States Secretary of War had in mind when he attached the second Condition to the Instrument of Approval was the owner of Les Galops Island. The Canadian representatives argued that, according to international law, even if an agreement between Canada and United States could be implied, it could not be given a meaning greater than that which the Canadian and United States negotiators had agreed upon, namely, to compensate only the owner or occupant of Les Galops Island; and that this is the meaning which should be ascribed to the second condition of the Instrument of Approval. At a subsequent meeting of the Canadian and United States representatives held in the State Department on April 10, 1953 the United States representatives declared that, after examining all the correspondence fully, they had come to the conclusion that the language of the second condition must be deemed to apply to all or any citizens of the United States; that Canada must be deemed to have accepted the two conditions because at the time it did not refute or object to them; and that accordingly Canada had then waived its immunity. This argument was contested and found unacceptable by the Canadian representatives.

9. A further document which was not at hand at the time of these meetings but which provides additional confirmation of the Canadian interpretation of the intention of the United States Secretary of War when he gave his approval, has now been obtained from the United Kingdom Foreign Office which, in 1903, was conducting Canada's external relations. (photostat copy is attached hereto).† In this document Secretary Root, writing on August 18, 1903 to the Ambassador for Great Britain in Washington, informed him that he had that day approved the plans and details for the construction of the Dam subject to certain Conditions set forth in the Instrument of Approval "which are in accord with stipulations made by the representatives of the Dominion Government, Mr. L.K. Jones, Secretary, and Mr. Andrew G. Blair, Minister of Railways and Canals in Canada". These stipulations, as previously mentioned, related only to the "owner or occupant of Les Galops Island". It is obvious that, if the Conditions of the Instrument of Approval were "in accord" with the Canadian stipulations, those Conditions could not go further than

the Canadian stipulations and therefore the Conditions must have referred exclusively to damage caused to the owners of Les Galops Island.

10. The Government of Canada has concluded and now wishes formally to place on record its view that when Secretary Root signed the Instrument of Approval on August 18, 1903, subject to certain Conditions, he clearly intended that the second Condition was to be more restrictive than appears *prima facie* from its language and that it was to apply only to the owner or occupant of Les Galops Island. This second Condition, in the light of Secretary Root's authoritative interpretation and as heretofore understood by the Canadian authorities, could give rise to claims only by the owner or occupant of Les Galops Island, whose heirs, on October 26, 1903 accepted $4,000 from the Canadian Government and gave it a full discharge for all further claims.

11. It follows that, even if it could be successfully maintained that by constructing Gut Dam pursuant to the approval of the United States Government Canada had waived its immunity, such waiver could accrue only to the benefit of the owner or owners of Les Galops Island. This conclusion has an all-important bearing on the wider question of Canada's general immunity from jurisdiction in the United States courts which the Canadian Ambassador asserted in his note of November 10, 1952 and which the Government of Canada wishes to re-affirm at this time.

12. The Government of Canada urges, therefore, upon the Secretary of State the desirability of withdrawing from the Clerk's Office of the United States District Court for the Northern District of New York the notes of November 10 and November 17, 1952 which were exchanged between the Canadian and United States Governments and which on December 2, 1952 the State Department had caused to be filed in the Clerk's Office. Ends.

875. DEA/11597-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2086 Washington, September 9, 1953

CONFIDENTIAL. IMPORTANT.

GUT DAM CLAIMS

Reference: Your telegram EX-1505 of the 4th of September.†

We presented the aide-mémoire yesterday afternoon at the State Department to Phleger, the Legal Adviser. We were represented by LePan and Fortier.[111] Yingling was also present for the State Department.

[111] D'Iberville Fortier, troisième secrétaire, ambassade aux États-Unis.
D'Iberville Fortier, Third Secretary, Embassy in United States.

2. Since Phleger had never before been immersed in these issues, we decided to hold the aide-mémoire in reserve and to take the meeting as an opportunity for giving him a fairly full oral exposition of the problems involved and of the Canadian case. We began with a comparatively uncontroversial statement of the facts, bringing out that from 1903 to 1951 there had been no complaints about Gut Dam, although it had been there all that time and although there had been wide fluctuations in the level of Lake Ontario throughout that period. We also made it clear that the rise in the level of Lake Ontario which could by any calculation be attributed to Gut Dam was a very small fraction of the rise which had caused damage to property owners in 1951.

3. We then gave Phleger a somewhat more *ex parte* exposition of the Canadian case on the immunity issue. Here we followed very closely the facts as presented in the aide-mémoire which you had prepared, drawing particular attention to the new evidence which had come to light. In view of the additional document which had been discovered in the Foreign Office, we requested that the State Department withdraw from the Clerk's Office of the United States District Court of the Northern District of New York State the notes of the 10th and the 17th of November 1952, which had been exchanged between the Canadian and United States Governments.

4. Before concluding our representations and handing the aide-mémoire to Phleger, we endeavoured to impress on him the importance which the Canadian Government attached to this whole issue and particularly to the question of sovereign immunity. We told him that the Canadian Cabinet had considered the problem of how to deal with the Gut Dam claims on several occasions. We also emphasized that Canada was at least as jealous of its sovereignty as any other State and could not regard lightly any attempt to deny to it immunity from suit, which is an important attribute to sovereignty. In the recent past there had been a good number of issues between the two countries, particularly in the field of defence, in which various aspects of sovereignty had been involved; and it seemed virtually certain that other issues of a similar kind would arise in future as the requirements of continental defence were reassessed. In the past such issues had been resolved by the exercise of good sense and forbearance on both sides. However, it might prove rather more difficult to resolve satisfactorily similar issues which might have to be faced in the future if the United States Government in this case failed to show meticulous regard for Canadian sovereignty and continued to deny to us the immunity from suit which we believed we should enjoy.

5. Phleger listened courteously to our statement, which took the best part of half an hour. You will be interested, we think, in his reactions, which so far as we could judge showed a considerable measure of independence. He had no doubt been briefed, at least sketchily, by Yingling before we arrived; but his comments seemed to be the expression of his own preliminary judgment on what we had said. He first expressed some curiosity about how the summons had been served on the Canadian Government. When we explained that it had been left in the office of our Consul-General in New York, he evinced some personal doubt whether such a procedure was valid. He also seemed unhappy when we stated that, by submitting to the Office of the Clerk of the United States District Court in Northern New York the

notes of the 10th and 17th of November, 1952, the State Department had by implication certified to the court that Canada was not entitled to immunity from this suit. He enquired of Yingling whether or not in his opinion the State Department had so certified; and Yingling replied that, at the instance of the State Department, the Attorney General of the United States had informed the court that Canada did not enjoy immunity.[112] Thinking aloud, Phleger then said that he wondered whether it might not have been better merely to convey to the court all the material bearing on the question of immunity and to make it clear that it was for the court to decide whether or not Canada was immune in this case. To this Yingling replied that the Supreme Court on a number of occasions had expressed the view that it was preferable for the State Department to tender clear advice to the courts on questions of immunity and for the courts, at the outset at least, to accept such advice. Phleger also expressed some curiosity about how it would be possible for the Canadian Government to fight the issue of immunity through to the United States Supreme Court if that should prove necessary. He personally was not quite clear how that could be done but supposed it might be possible. He also commented that it would surely be extremely difficult for a United States claimant to have a judgment of a United States court executed against the Canadian Government.

6. On the basis of our oral exposition, Phleger then expressed his preliminary view on the issue of whether or not Canada was bound by the second condition attached by the Secretary of War to the Instrument of Approval signed on the 18th of August, 1903. He could not see, he said, how it could be argued that this did not constitute an agreement between Canada and the United States. Canada had asked for cooperation from the United States in carrying out a project in which it was interested. The United States had granted its approval but had attached conditions. The document in which the approval and the conditions were formulated had been transmitted to the Government[113] of the United Kingdom, which was then responsible for Canada's foreign relations, for onward transmission to the Canadian authorities. No objection had ever been raised to the conditions either in 1903, when they were first laid down, or in 1904, when they were reiterated at the time the height of the dam was raised. Knowing the conditions which had been imposed, Canada had gone ahead and built the dam. If he had been presented with such a set of facts in his own private practice, Phleger said he certainly would have concluded that there had been an agreement and that Canada was bound by the conditions that had been imposed.

7. It seemed to him, he said, that this was essentially what had happened. Canada had asked for the consent of the United States that a dam should be built abutting on United States territory. Congress had passed an act saying that this could be done, provided it did not raise water levels in the Great Lakes and provided the Secretary of War approved. The Secretary of War may be assumed, he suggested, to have come to the conclusion that any obstruction to the flow of the St. Lawrence

---

[112] Note marginale:/Marginal note:
Did he?

[113] Note marginale:/Marginal note:
No[t?] as far as we can ascertain

such as Gut Dam would almost certainly affect, however slightly, water levels in the Great Lakes. In any case, when granting his approval he had attached the condition that, if the property of the owners or occupants of Les Galops Island or of any other United States citizens were damaged as a result of the construction or operation of Gut Dam, such United States citizens should be compensated by the Canadian Government, which for this purpose would accept the judgment of the United States courts. If that was a fair, although rough, summary of what had happened in 1902 and 1903, he could not see why Canada should now object to being hauled into the United States courts.

8. There then followed a brief session of cross-examination, in which in retrospect we do not think we acquitted ourselves too adroitly. Putting the question of whether or not Canada would have been prepared to waive its immunity in the case of an action brought by the owners of Les Galops Island, he suggested

(a) That, if the answer to this question was "yes", it was then somewhat unreasonable for Canada to make such heavy weather about waiving its immunity in an action brought by property owners not very far away from Les Galops Island; and

(b) That, if the answer to that question was "no", then the whole of the second condition attached by the Secretary of War to his Instrument of Approval became meaningless.[114]

This question would seem to be a pretty shrewd "Morton's Fork". We take it that the proper answer is that the question is entirely hypothetical, since all possible claims of the owners or occupants of Les Galops Island were once and for all extinguished in 1903. If an answer is to be given, it presumably should be "no". We finally reached this two-fold answer, but only after some hesitation. You will appreciate, however, that we were confronted by someone with much longer experience in such legal issues than we could command and also that the Canadian case as it stands at present has so many different angles (which have been introduced at various stages in the consideration of the Gut Dam claims) that considerable skill is required to reconcile them and hold them in a single, solid structure. In part, our uneasiness in trying to answer Phleger's question was due to uncertainty whether our legal experts are now disposed to argue that the conditions attached to the Instrument of Approval by the Secretary of War were *ultra vires*.

9. The new document which we had to present did not make any deep immediate impression either on Phleger or Yingling. However that was hardly to be expected, since they will have to appraise it at leisure in conjunction with all the other evidence. Phleger promised that they would consider it closely and sympathetically, and reserved judgment on whether or not it would change the State Department's position on the immunity issue. Unlike Phleger, Yingling throughout had the air of a man whose mind is already made up. At this point in the discussion he said that he would not be frank if he did not say that, at first glance at least, he did not think the new evidence was adequate to prove that the words of the second condition of the Instrument of Approval meant something other than they said.

[114] Note marginale:/Marginal note:
which is our position

10. In conclusion, you might like to have our appraisal of what has been accomplished. We still very much doubt whether the State Department will withdraw the notes of the 10th and 17th of November, 1952 from the Clerk's Office of the United States District Court for Northern New York, although that is perhaps just a bare possibility. The presentation of the aide-mémoire, however, as you intended, should

(a) Record formally our views on the immunity issue;

(b) Inform the United States claimants through the State Department of the strength of the Canadian position; and

(c) Make available a document which could be published in the event of failure of the negotiations with the claimants for arbitration.

We also think that our oral presentation may have had some usefulness in impressing on Phleger the importance which the Canadian Government attaches to the immunity issue and to the problem of the Gut Dam claims as a whole. We should add, however, that, in spite of the very patent good will and attentiveness he showed throughout the meeting, he still seemed when it was over a little mystified over why the Canadian Government should attach so much importance to this issue and should believe so strongly, on the basis of the available evidence, that it was entitled to immunity.

11. The only other point that is perhaps worth recording was a casual remark by Phleger that he assumed one reason we were now presenting this aide-mémoire was that we were having difficulty in our negotiations with the claimants. To that we merely replied that, so far as we knew, the negotiations had not been broken off. We did, however, explain why it is thought in Ottawa that the Oster motion for judgment by default may possibly be heard in the District Court at Syracuse on the 14th of September.

876. DEA/11597-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2143 Washington, September 18, 1953

CONFIDENTIAL

GUT DAM CLAIMS

Reference: Our telegram WA-2086 of the 9 of September.

We have received today from the State Department the reply to our aide-mémoire which was handed to Phleger on the 8th of September. The text of the State Department's aide-mémoire is contained in my immediately following telegram. As you will see, it is a thorough-going rejection of the Canadian case on the issue of sovereign immunity.

877. DEA/11597-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2144 Washington, September 18, 1953

CONFIDENTIAL

GUT DAM CLAIMS

Reference: My immediately preceding teletype.

The following is the text of the aide-mémoire. Text begins:

The Canadian Government's aide-mémoire of September 8, 1953, relating to the claims arising out of the operation of Gut Dam states that the Government of Canada now deems it important to review this matter, particularly in the light of a newly found document which is considered to have a significant bearing on the question of immunity from jurisdiction.

The document is a letter of August 18, 1903, from the Secretary of War, Elihu Root, to the British Ambassador in Washington, informing him that "pursuant to the provisions of the act of June 18, 1902, I have this day approved the plans and details for the construction of the said (Gut) dam on the territory of the United States, subject to certain conditions set forth in the instrument, which are in accord with stipulations made by the representatives of the Dominion Government, Mr. L.K. Jones, Secretary, and Mr. Andrew G. Blair, Minister of Railways and Canals in Canada". The Canadian Government's aide-mémoire states that the Canadian Government had concluded on February 6, 1903, that the construction of Gut Dam could, at worst, only damage the owner of Les Galops Island, and that in order to remove any objections that might possibly occur in the final consideration of the plans by the Secretary of War, the Minister of Railways and Canals was authorized to give an assurance that should the dam cause damage and should the Canadian authorities be unable to arrive at any satisfactory settlement with the parties or party owning the portion of the island affected, the Government of Canada would pay such compensation for any damage that might be done as might be awarded the owner or occupant in the proper court of the United States before whom his claims might be brought, and that this formal assurance was transmitted to the United States Corps of Engineers by Mr. L.K. Jones, Secretary, Department of Railways and Canals. From these facts it is argued that the Secretary of War required only that claims of the owner or occupant of Les Galops should be taken care of.

Aside from the fact that it would be unusual if the Secretary of War had sought to protect only certain possible American claimants and had left others unprotected, the above view appears inconsistent with the clear language of the second condition attached to the Secretary of War's approval of the construction of the dam. That condition was that "if the construction and operation of the said dam shall cause damage or detriment to the property owners of Les Galops Island, *or to the prop-*

erty of any other citizens of the United States, the Government of Canada shall pay such amount of compensation as may be agreed upon between the said government and the parties damaged, or as may be awarded the said parties in the proper court of the United States before which claims for damage may be brought." The Canadian interpretation would have the effect of nullifying the underscored words. Furthermore, it gives no effect to the statement in the Secretary of War's letter under reference that his action in approving construction of the dam was taken "pursuant to the provisions of the act of June 18, 1902". That act gave consent for the construction of the dam provided such construction would not, in the judgment of the Secretary of War, materially affect the water level of Lake Ontario or cause any other injury to the interest of the United States "or any citizen thereof", so that the Secretary of War was obligated to protect the interests of all American citizens and not just those on Les Galops Island. This is precisely what the second condition attached to the Secretary of War's approval did and was intended to do.

It should also be pointed out that the Secretary of War's approval for construction of the dam, transmitted to the British Ambassador by the Department of State, was not a negotiated agreement but a unilateral determination by the Government of the United States of the conditions under which it would consent that the dam be constructed on American territory. Acceptance of the approval by construction of the dam necessarily entailed acceptance of the conditions. As previously indicated the Department of State takes the view that acceptance of the condition to pay such amount of compensation for damage as might be awarded citizens of the United States by courts of the United States constituted a waiver of any immunity from suit to which the Government of Canada might otherwise have been entitled.

For the above reasons, the Department of State regrets that it feels unable to comply with the request of the Government of Canada that the Exchange of Notes of November 10 and November 17, 1952 (copies of which were filed with the United States District Court for the Northern District of New York) be withdrawn.

Department of State,
Washington, September 17, 1953.
Text ends.

878. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

[Ottawa], September 29, 1953

. . .

THE AMERICAS

9. *United States Claims Arising Out of the Construction and Operation of Gut Dam*

Legal Division: Since July 15 the attorneys for the Lake Ontario Land Development and Beach Protection Association, Inc. (the Oster group of claimants) have

had for examination a Canadian draft agreement for the establishment of an international arbitral tribunal for the investigation and adjudication of the Gut Dam claims. . . . On September 21 the Washington representatives of these claimants informed Mr. I.B. Wyatt, the New York attorney acting for Canada in this matter, that they wished to discuss this draft on October 6. The claimants' attorneys indicated at the same time that their lawsuit, pending in the District Court for the Northern District of New York, would be postponed while these negotiations on arbitration were continuing or until the claimants had given due notice that they wished to proceed in the court.

During the two-month interval a number of developments took place which did not alter the general position but which indicated some of the complexities of the Gut Dam affair. Early in August Mr. Wyatt came to Ottawa to discuss with the Canadian officials concerned the Canadian draft agreement on arbitration. During these discussions he was fully briefed on the Canadian position on the merits of the claims, which is: that in order to determine whether compensation should be paid, the appropriate tribunal should take into account all the improvements to navigation effected by the Government of Canada in the International Rapids Section of the St. Lawrence River, and should also consider all the factors affecting water levels in Lake Ontario. The Canadian engineering authorities emphasized that, in the assessment of damages, Gut Dam could not be considered merely as an isolated obstruction in the River. This view is at variance with the contentions of the claimants, who consider that once the effect of Gut Dam, taken by itself, on the said water levels has been determined by a simple formula, this effect can be translated into monetary damages to compensate for part of the injury suffered by the claimants. There is, therefore, likely to be a wide divergence of opinion on the terms of reference of the proposed arbitral tribunal.

Attorneys for the other claimants have been kept informed about the negotiations on arbitration. These claimants have instituted the two Clay lawsuits and the Ontario Refectories case, all in the District Court for the Northern District of New York. In addition, another group of claimants represented by William D. Kiley of Oneida has been making enquiries. Because diverse interests and competing attorneys are involved, there is a constant possibility that one or other of the lawsuits will be pressed in the court, in spite of the negotiations on arbitration. It has been necessary, therefore, to prepare the Canadian case on immunity and insufficiency of service for presentation to the court. On September 14, when it appeared that the Oster motion for judgment by default was actually to be proceeded with, Mr. Wyatt attended the District Court in Syracuse for the purpose of appearing *amicus curiae*. However, since the Oster attorney simply asked for a further postponement, Mr. Wyatt remained silent.

. . .

879. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], October 21, 1953

. . .

GUT DAM; SETTLEMENT OF CLAIMS AGAINST CANADA

12. *The Secretary of State for External Affairs*, referring to discussion at the meetings of May 13th and June 12th, 1953, reported on developments with respect to claims against Canada arising out of the operation of the Gut Dam.

The claimants' attorneys appeared anxious to drop the idea of the establishment of an international arbitral tribunal because this might involve Congressional approval, and, as alternatives, had suggested the creation by Canada and the United States of a fund against which claims for damages attributable to the Gut Dam could be prosecuted, or conclusion by Canada of an agreement with the Lake Ontario Land Development and Beach Protection Association, whereby an arbitral tribunal would be established with the approval of the US State Department, the expenses of arbitration to be met by the Government of Canada and the Association. Both alternatives appeared to be wholly unacceptable because, amongst other things, they were based on the assumption that Canada admitted some liability. The US State Department had not admitted the Canadian claim to immunity even though new evidence had been uncovered which supported the view that, in strict law, Canada had no undischarged obligation arising out of the construction and operation of the Gut Dam.

It was recommended that the attorneys for the claimants be informed that the alternative proposals were unacceptable, that the Canadian offer for arbitration was still open and that the US State Department be informed that the Government of Canada did not accept the United States position on immunity.

(Minister's memorandum and attached draft aide-mémoire Oct. 19, 1953 — Cab. Doc. 253-53)†

13. *In the course of discussion* it was pointed out that, in its proposals, Canada was not arbitrarily deciding that there was no liability. It was relevant that, although the Gut Dam had been out for nine months, there had been no appreciable effect on water levels.

14. *The Cabinet* agreed:

(a) that the attorneys for the Oster group of claimants (Lake Ontario Land Development and Beach Protection Association, Inc.) be informed that their alternative proposals, with regard to the settlement of claims against Canada as a result of the operation of Gut Dam were wholly unacceptable, and that the Canadian offer for arbitration, as embodied in the draft agreement, stood as the only appropriate and practical method of determining the claims; and,

(b) that the US State Department be advised, along the lines submitted in the draft aide-mémoire, that the Government of Canada did not accept the United States position on immunity in this matter and that, while reserving its rights, it was still prepared to consider arbitration.

. . .

880. DEA/11597-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

DESPATCH L-1238 Ottawa, October 30, 1953

CONFIDENTIAL

GUT DAM CLAIMS

Reference: Your telegram WA-2430 of Oct. 23/53.†

1. Perhaps I should explain more fully the reasons for the decision that the State Department should be informed that the Government of Canada adheres to its previous position on immunity in this matter and must, accordingly, reserve its rights. You will have seen the brief discussion on this point in the Memorandum to the Cabinet of October 19, 1953.†

2. After receiving the State Department's reply of September 18 to the Canadian Aide-Mémoire of September 8 on this subject and your comments thereon, I concluded that nothing would be accomplished by prolonging the debate. The legal advisers of the State Department apparently remained unshaken in their attitude which, in our view, is based more on policy than on legal considerations. The Legal Division disagrees with the State Department's conclusions about the events and documents of 1900-04 and considers that the divergence of opinion can be finally determined only after a full enquiry by a competent judicial authority. We are, however, not anxious at this stage to press the matter to its logical conclusion, that is, to admit that a dispute on the immunity issue exists between the two Governments and to suggest that this dispute be referred to an international judicial authority, perhaps to the International Court of Justice. This has always existed as a possible development but we see no advantage in taking the step at the present time. (At one stage during the discussions in January 1953 Tate suggested that the immunity issue be submitted to arbitration. Moreover, Cabinet on May 13, 1953 agreed in principle that the possibility of a reference to the International Court might be explored.) We do consider it important, however, to reserve our rights.

3. The Canadian concern over this issue would be less if (assuming that the lawsuits in the United States courts were to be pursued) the immunity issue could be left free for determination by the United States courts. As we have previously stated, there is an important line of precedents in United States law and practice

which appear to establish the principle that the court should consider as a "conclusive determination" or an "instruction" any opinion on immunity appropriately rendered by the State Department. (Mr. A.B. Lyons' article in the British Year Book of International Law 1947, Vol. XXIV, is instructive on this point.) This line of precedents is not settled and the facts and legal circumstances therein differ widely from those in the Gut Dam proceedings. It is by no means certain that the United States courts would consider these precedents as binding in their consideration of Canada's sovereign immunity, as contended in the Gut Dam litigation, especially if Counsel for Canada were able to show significant distinctions between these cases and the facts before the court. Nevertheless, the existence of the precedents and the State Department's apparent determination, as a matter of policy, to have the Gut Dam proceedings brought within this category have made it necessary for us to take all steps, short of declaring a dispute between the two Governments, to protect the Canadian position. Unless we are now prepared to accept the State Department's position, we are obliged to continue this effort.

4. It is probably not necessary to emphasize that in pleading sovereign immunity in the present matter, the Government of Canada is not resorting to an unfair legal subterfuge, which is in any way unworthy of Canada in its dealings with the United States citizens. The doctrine of sovereign immunity is well established in international law and has been generally accepted by the governments and people in most countries. We believe that the Canadian interpretation of the events and documents leading to the construction of Gut Dam is sound in international law and practice; and that, given a proper hearing, it might well be accepted to the embarrassment of the State Department, even though the United States Government has not officially espoused the claims. We are, moreover, not satisfied that, in dealing with Canada's claim to immunity, the State Department has afforded the Government of Canada the protection which, in accordance with well established principles, it has reason to expect.

5. If Canada had submitted, or if it now agreed to submit to the jurisdiction of the United States court, it would run the grave risk of having a highly complex and technical matter decided by, at the worst, a jury of United States citizens, and at the best, a judge ill-equipped to assess and render judgment on the complicated mass of engineering and other evidence which these claims will involve. Moreover, the Government of Canada would in all probability be faced with a long, tedious and costly litigation which would be bedeviled by innumerable frivolous claims. As Canada has stated publicly, the United States courts are not appropriate (in every sense of the word) to investigate and determine claims of this kind which have customarily been submitted to international arbitration.

6. In addition to the foregoing — and perhaps more significant than any of the other factors — is the factual evidence that between 1900 and 1903 the Canadian Government of the day took the greatest pains to remove, *in advance of the construction of Gut Dam*, all foreseeable sources of grievance in the United States. It is clear from the record of the deliberations of the Cabinet at that time that the Government was most anxious to avoid injury to United States citizens. As a result of long and careful investigation, it was determined that one such citizen might suffer slight injury from the construction and operation of the Dam. This citizen, the

owner and occupant of Les Galops Island, agreed to be *compensated in advance* for the injury he might suffer. The Government of Canada was determined and glad to clear away this sole encumbrance before proceeding with the construction. Moreover, the Instrument of Approval of the United States Secretary of War was not issued until *after* this agreement to compensate had been reached. In view of all these circumstances, the Canadian authorities concluded that it was safe to proceed with construction and never gave a second thought to the conditions of approval, which especially in the light of the Root letter of August 18, 1903, were regarded as a matter of form.

7. On the basis of these facts, and in the light of the legal considerations mentioned in the enclosed memorandum, strong and valid arguments in international law can be made to show (a) that there has never been any undischarged obligation, arising out of the events and documents leading to the construction of Gut Dam by Canada, to compensate United States citizens for injuries suffered; and (b) *with greater certainty* that there has never been any waiver of sovereign immunity in this regard. What the position in equity might be, based on the rights of riparian owners, is another matter and not one for consideration in this despatch. It might be sufficient to say, however, that it is in the interest of equity that Canada has made the offer of arbitration.

8. Since at this stage we are not anxious to prolong the debate or to cause unnecessary irritation over the immunity issue, the proposed aide-mémoire states simply that Canada adheres to its position and reserves its rights, including of course the right to raise the matter at a later stage, if developments make it necessary. The possibility exists, for example, that if the litigation in the United States courts proceeds against us, in spite of our best legal efforts, we might eventually be faced with a demand by the United States Government to satisfy a judgment in favour of the claimants which we would consider unreasonable and unjust. At that time we might wish to re-open the immunity issue, but particularly if our arguments thereon had not been accorded due consideration in the United States courts.

9. On balance, therefore, I can see no alternative to bringing the immunity issue once more to the attention of the State Department. I agree with your suggestion that the aide-mémoire (copy attached) be handed to Mr. Tate by Mr. LePan. I suggest that this be done as soon as a meeting can be conveniently arranged. I share your hope that a further discussion of the issue, particularly the legal complexities, can be avoided. If, however, some discussion does take place, Mr. LePan might use as background material the information in this despatch and its enclosure, suitably paraphrased. You will no doubt be reporting on this interview in due course.

R.A. MACKAY
for Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

DEA/11597-40

Aide-Mémoire

The Government of Canada has reviewed the position as a result of the recent events in the matter of Gut Dam claims and has noted that, in reply to the Canadian Aide-Mémoire of September 8, 1953, the Department of State affirmed on September 18 that Canada must be considered to have waived its sovereign immunity. The Government of Canada adheres to its previous position that it has not at any time waived its immunity in this matter and must, accordingly, reserve its rights.

It might be remembered that Canada did undertake to compensate the owner or owners of Les Galops Island should any damage accrue as a result of the construction of Gut Dam. This undertaking was redeemed in 1903 when Canada obtained at the cost of $4,000 a release for any future damage from the then owners of Les Galops Island.

Notwithstanding Canada's rights in this matter, it has offered to the claimants to have the matter arbitrated before an international arbitral tribunal. This offer, made about July 15, 1953 through the New York attorneys acting for Canada, still remains open.

881. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

CONFIDENTIAL [Ottawa], November 3, 1953

. . .

11. *United States Claims Arising out of the Construction and Operation of Gut Dam*[115]

Legal Division: On October 30 the Canadian Ambassador in Washington was instructed to deliver to the State Department an aide-mémoire stating that the Government of Canada, having reviewed the recent exchange of views on the immunity issue, adhered to its previous position that it had not at any time waived its immunity in this matter and must, accordingly, reserve its rights. The aide-mémoire added that, notwithstanding Canada's rights in this matter, it had offered to the claimants to have the claims arbitrated before an international arbitral tribunal and that this offer still remained open.

In the meantime Mr. Wyatt, the New York attorney acting for Canada, had informed the Washington attorneys of the Lake Ontario Land Development and Beach Protection Association Inc. (the Oster group of claimants) that their alterna-

[115] L'annotation suivante a été dactylographiée sur notre copie du document :
The following was typed on this copy of the document:
W.D.N. [Weekly Divisional Notes] of October 26, 1953.†

tive proposals for determining the claims were unacceptable and that the Canadian offer of arbitration stood as the only appropriate and practicable method. The claimants' attorneys were apparently not surprised at the Canadian reaction which they undertook to bring to the attention of their principals in the Rochester area. The Oster motion for judgment by default, pending in the District Court for the Northern District of New York, has been postponed an additional 30 days while these consultations are taking place.

. . .

882. DEA/11597-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-2615 Washington, November 13, 1953

CONFIDENTIAL

GUT DAM CLAIMS

Reference: Your despatch No. L.1238 of the 30th of October.

In accordance with your instructions, we left the aide-mémoire this morning with Jack Tate, Deputy Legal Adviser in the State Department. Tate received it amiably and said it was unlikely that there would be any reply.

2. We are grateful to you for having provided us with such a clear and comprehensive presentation of the Canadian case on the immunity issue. However, we were successful in avoiding any further discussion on the substance of the issue, so that we did not have to make any use of the brief you had prepared.

883. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

CONFIDENTIAL [Ottawa], November 23, 1953

. . .

LEGAL

13. *United States Claims Arising Out of the Construction and Operation of Gut Dam*

Legal Division: Although it was clearly understood in advance that the public hearings of the International Joint Commission, at Rochester on November 17 and at Hamilton on November 18, were to be concerned with the cause and effects of high water levels in Lake Ontario with specific reference to the proposed power works

in the International Rapids Section of the St. Lawrence River, there was every reason to believe that some reference would be made to Gut Dam and to the injury which property owners on the south shore have attributed to the Dam. At the hearing in Rochester, the references to Gut Dam were noisy and bitter; the Dam was represented as being the cause of all past troubles and as a warning against the future construction of works in the St. Lawrence without adequate assurance and protection against property damage.

Although most of what was said by spokesmen for the property owners — notably Representatives Keating and Ostertag, and Walter Forsyth, attorney for the Lake Ontario Land Development and Beach Protection Association Inc. — had been heard before, a number of interesting facts were revealed during the course of the public discussion and in private conversations between representatives of the Association and of the Department:

(a) The directors of the Association appeared to be not opposed to the Canadian proposals, as set forth in the draft of July 10, for arbitration by an international tribunal. The directors have been led to believe, however, that it will be difficult, if not impossible, to obtain the necessary Congressional action for the establishment of such a tribunal. The President of the Association, Mr. Norman Atterby, proposed to seek clarification on this point from the State Department.

(b) The directors of the Association appeared not anxious to pursue their lawsuits against Canada in the United States courts. Their reluctance stems from their opinion that Canadian legal arguments on sovereign immunity and on insufficiency of service are likely to prevail; and from a shortage of funds with which to finance protracted litigation. Nevertheless, in desperation and in order to satisfy the many disgruntled claimants, the directors might be tempted to pursue the litigation.

(c) The Association is receiving conflicting advice from its lawyers. There is also dissension among the ranks of the directors. It is therefore difficult to predict the future course of events.

(d) The spokesmen for the Association are still not aware of the complexities of the engineering evidence needed to substantiate their claims. They seem prepared to accept the "state of nature" as the basis for their rights with respect to water levels but, with respect to Gut Dam, they tend to oversimplify the casual connection between its effect on water levels and the injury sustained by the property owners.

(e) The Canadian contention of sovereign immunity has been misrepresented among the claimants. An attempt was made at the Rochester hearing to create the impression that Canada had refused to submit to the United States courts because "The King can do no wrong". These remarks were calculated to stir up the spirit of 1776 and to some extent this end was achieved. This indicates that in future public pronouncements on the immunity issue Canada should emphasize that the principle of sovereign immunity is well recognized by all sovereign states, republics and monarchies alike; and that the principle stems from the sovereignty of the state rather than from the status of the head of state.

The hearing in Hamilton was conducted in a much more dignified manner than the one in Rochester. There was very little talk of compensation for past injury and the references to Gut Dam were few and lacking in conviction.

. . .

SECTION B

LE LAC LONG ET LE DÉTOURNEMENT DE L'OGOKI
LONG LAC AND OGOKI DIVERSION

884. DEA/11876-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1894 Washington, August 4, 1953

CONFIDENTIAL. IMMEDIATE.

HIGH WATER LEVELS — LONG LAC, OGOKI

Reference: Your despatch No. X-497 of March 10, 1952.

The House Foreign Affairs Committee yesterday requested the State Department, in a letter addressed to Dulles, to act in ending the 1940 executive agreement with Canada that authorized diversions of the Long Lac and Ogoki Rivers from Hudson Bay into Lake Superior. Ostertag, who originated the June 25, 1952, reference to the IJC in this matter, contended that the IJC should be given jurisdiction over the flow of the two rivers.

2. Patterson and Hattaway of the Engineering Board on levels of Lake Ontario were scheduled to appear before the IJC later on during additional hearings. Brown and Vallance of the State Department told us today that the committee's letter has not yet reached their level but Vallance thinks, however, from what he has read about the letter, the State Department may have to take action at once before additional hearings are held by the IJC.

885. DEA/11876-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-1369 Ottawa, August 6, 1953

CONFIDENTIAL. IMPORTANT.

LONG LAC AND OGOKI DIVERSIONS

Reference: Your WA-1894 of August 4, 1953 and Our Despatch No. X-497 of March 10, 1952.

Thank you for your telegram forewarning that the State Department may find it necessary to take immediate action pursuant to the House Foreign Affairs Committee's request concerning the Exchange of Notes in 1940 on the above-mentioned subject.

2. For your background information, it has always been our position that the Exchange of Notes in 1940 authorized the use in Canada at Niagara Falls of a specific amount of water for power purposes and that this authorization was later confirmed in the Niagara Treaty of 1950. The notes did not purport to authorize the diversions themselves as such diversions — from a watershed wholly within one country — can be made by one country on its own authority.

3. The authorization of the use of a specific amount of water for power purposes by Canada at Niagara Falls is limited in the Exchange of Notes of 1940 and (by reference to the notes) by the Niagara Treaty of 1950 only by the phrase "pending the conclusion of a final Great Lakes-St. Lawrence Basin Agreement". At the time, this was intended to be the Great Lakes-St. Lawrence Basin Agreement of 1941 (which met its end in our election-day note last year). If we now maintain our position rigidly, the State Department might suggest opening up the larger issue of a final Great Lakes-St. Lawrence Basin Agreement. Our preliminary view is that we would not welcome the opening up of this issue although we may have to come to it by gradual steps. We would certainly not welcome it at this time or at least until the question of possible United States participation in the Seaway can be dealt with as a tangible factor.

4. On the other hand, the matter of these diversions, insofar as it concerns the level of Lake Ontario, is before the IJC for study and recommendation. You should, therefore, advise the State Department informally that we consider it would be better to take the position that the matter is before the IJC, as it were *sub judice*, and that action should await the result of the Commission's investigation. It might be added that the diversions have been reduced on occasion as a gesture of goodwill when some benefit would result and that the general situation with regard to Great Lakes levels is gradually improving. If any different action is contemplated by the State Department, we would hope to be consulted informally in advance.

886. DEA/11876-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1919 Washington, August 7, 1953

CONFIDENTIAL. IMPORTANT.

LONG LAC, OGOKI DIVERSIONS

Reference: Your EX-1369 of August 6, 1953.

Following the telephone conversation of this morning between Cox[116] and Fortier, we saw Vallance and made clear our position with respect to the House Foreign Affairs Committee's request. We were assured that no direct action will be taken at this time by the State Department to end the executive agreement of 1940 or to suggest to Canada that the IJC should be given jurisdiction over the flow of the two rivers.

2. Vallance told us that, because of considerable congressional pressure and in view of the political implications of the committee's request, the State Department had, however, to take some immediate action. The United States Embassy in Ottawa will, therefore, be instructed today to make representations along the following lines:

(a) The United States Government suggests that Canada join with the United States in requesting the IJC to give top priority to the hearings on the high-water levels of the rivers and to report in October, if at all possible;

(b) The United States Government asks Canada to reduce again temporarily the Long Lac, Ogoki diversions in order to lower the Great Lakes level.

3. We asked whether the State Department were ready to withhold further action pending the completion of the IJC report. Vallance said that, although the State Department did not consider the matter to be subjudice while under consideration by the IJC, they would prefer to let the IJC complete its hearings and its report before taking any "drastic action". He could give no definite assurances that such a course will be followed but said that the agreement of Canada on proposal (a) (above) would help the State Department to withhold action on the committee's request. Vallance agreed that the State Department would consult with Canada before taking any further action in this matter.

4. In the course of the conversation Vallance made some rather unsuccessful attempts to prove that the Long Lac, Ogoki diversions, as well as the use at Niagara Falls of the additional water thereby provided, had been authorized by the 1940 executive agreement between Canada and the United States. He insisted that Long

---

[116] G.E. Cox, Direction de l'Amérique.
G.E. Cox, American Division.

Lac, Ogoki diversions were closely linked with the ensuing additional diversion at Niagara Falls, we said that the two diversions (in and out) were certainly linked physically but that the 1940 executive agreement had by no means authorized the Long Lac, Ogoki diversions since such diversions were a matter of exclusive Canadian jurisdiction. Vallance said that it was inherent in the 1909 treaty that diversions of water in the Great Lakes were a matter to be submitted to the IJC, since they affected the level of boundary waters. We retorted that no such provision is included in the 1909 treaty implicitly or explicitly and that diversions from the watershed wholly within one country can be made by one country on its own authority. Our impression is that Vallance was not too much convinced of the point of view he had advanced and was rather trying to know what would be our reactions to such an unusual interpretation of the boundary waters treaty. In connection with the House Foreign Affairs Committee's request to give jurisdiction to the IJC over the flow of the two rivers, we stated firmly that we were not ready to accept such jurisdiction.

887. DEA/11876-40

L'ambassadeur des États-Unis au secrétaire d'État aux Affaires extérieures

Ambassador of United States to Secretary of State for External Affairs

NOTE NO. 32 Ottawa, August 17, 1953

The Ambassador of the United States of America presents his compliments to His Excellency the Secretary of State for External Affairs and, with reference to the Department of External Affairs' Notes No. X-125 and No. X-133 dated May 1, 1952 and May 2, 1952 respectively, concerning the diversion of waters from the Long Lac and the Ogoki Rivers into Lake Superior, has the honor to request that the diversion of the waters of these rivers be terminated by the Canadian Government pending the further consideration of the subject by the International Joint Commission and the receipt of its recommendations regarding this subject. It is also proposed that the Governments of the United States of America and Canada join in a request to the International Joint Commission that the Long Lac-Ogoki aspect of the Reference of June 25, 1952 be given priority and that the Commission's recommendations thereon be submitted to both Governments at the earliest possible date.

J.H. W[117]

[117] Notre copie du document porte le paraphe :
This copy of the document is initialled:
J.H. W[arren?]
Warren faisait partie de la Direction économique.
Warren was a member of Economic Division.

888. DEA/1760-A-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur des États-Unis

Secretary of State for External Affairs
to Ambassador of United States

NOTE NO. X-259 Ottawa, September 29, 1953

The Secretary of State for External Affairs presents his compliments to His Excellency the Ambassador of the United States of America and has the honour to refer to the Ambassador's Note No. 32 of August 17, 1953, concerning the Long Lac and Ogoki diversions in Northern Ontario.

As stated in the Department of External Affairs' Notes No. X-125 of May 1, 1952 and No. X-133 of May 7, 1952, the diversions of these Canadian rivers are harnessed to important hydro-electric power developments serving communities and industries in the area which are consequently dependent on them. In a spirit of co-operation, however, the Hydro-Electric Power Commission of Ontario has on occasion made arrangements to reduce or stop the diversions temporarily when such action would serve a useful purpose without serious damage to the interests involved. The Long Lac diversion is directly harnessed to the Aguasabon power plant and continuous use of this water is necessary; but in order to ease the anxiety of interests directly affected by the out-flow from Lake Superior, the diversions have been reduced to a minimum by stopping, temporarily, the entire flow of the larger or Ogoki diversion to the Great Lakes basin.

With regard to the proposal that the International Joint Commission be requested to give priority to this aspect of the Reference of June 25, 1952, the Reference itself asks the Commission to make recommendations with a view to reducing the fluctuations and to bringing about a more beneficial range of stage of the water levels of Lake Ontario. These fluctuations vary in unpredictable irregular cycles. Changes in the diversions from the Hudson Bay watershed would be reflected in Lake Ontario levels only after a protracted period of time. It is therefore considered that the manipulation of these diversions would not constitute an effective means of reducing the fluctuations of the water levels of Lake Ontario. The Canadian Government considers that a significant measure of relief to those interests which may be affected by the fluctuations of the level of Lake Ontario can best be afforded by relating the out-flow of Lake Ontario as much as practicable to the amount of water flowing into the lake, as proposed in the operation of the control works which are an integral part of the St. Lawrence Power Project. The early commencement of this development would not only meet the urgent need for power in both countries but would also assist in dealing with the problems arising in both countries from the fluctuations of the level of Lake Ontario.

Accordingly, no useful purpose would seem to be served in requesting the Commission to digress from the orderly conduct of its work under the Reference of June 25, 1952.

E.A. CÔTÉ[118]

SECTION C

LES CHUTES DU NIAGARA
NIAGARA FALLS

889. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

[Ottawa], July 27, 1953

. . .

4. *Niagara Remedial Works*

American Division: On July 21 President Eisenhower personally approved the International Joint Commission's recommendations concerning the remedial works for the preservation of the scenic beauty of Niagara Falls provided by the Niagara Treaty of 1950, and he sent a message to Congress asking for a supplementary appropriation of $1.5 million to cover part of the costs of the US works. On the same day the State Department and the Department of External Affairs informed the two sections of the International Joint Commission of the Government's approval of the recommendations and asked the International Joint Commission to supervise the construction of the remedial works. Mr. St. Laurent also sent a letter to Premier Frost, formally asking the Province of Ontario to undertake the works in this connection as provided for in the Treaty.

The Province of Ontario is now enabled to undertake, through the Ontario Hydro Electric Commission, the construction of the Canadian share of the works. Of a total of about $17.5 millions of works estimated in 1952, $16 millions are estimated to be on the Canadian side of the river and will be undertaken by the Ontario Hydro Electric Commission. Conversations are taking place between the Ontario and Federal authorities on July 27 to agree upon the financing of these works in advance of discussions which will be required with the United States authorities.

. . .

---

[118] L'annotation suivante a été dactylographiée sur notre copie du document :
The following was typed on this copy of the document:
"Checked with Mr. Léger who agreed before the note was being sent. He would have preferred to have agreed with the Embassy's suggestion of giving a priority but did not insist when the matter was explained to him". E.A. Côté Sept. 29/53

890. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

[Ottawa], September 21, 1953

. . .

4. *Appointment of Canadian Representative Pursuant to Article VII of the Niagara Treaty of 1950*

American Division: The Niagara Treaty of 1950 provided for the preservation and enhancement of the scenic beauty of Niagara Falls and for more economical use for power production of all water not required for scenic purposes. Remedial works designed to provide an unbroken crestline on both the American and Horseshoe Falls are to be constructed and operated under the supervision of the International Niagara Board of Control appointed by the International Joint Commission. Article VII of the treaty provides that Canada and the United States will each designate a representative to ascertain and determine the amounts of water available for the purposes of the treaty and to record the amounts of water used for power. Mr. Thomas M. Patterson, Assistant Chief of the Water Resources Division, Department of Resources and Development, was appointed as Canadian representative by Order-in-Council of September 9, 1953. Pursuant to a recommendation of the International Joint Commission approved by the two governments, their representatives under Article VII will also serve on the International Niagara Board of Control to supervise the remedial works and arrangements are being made to appoint Mr. Patterson as Chairman of the Canadian Section of this Board.

. . .

CHAPITRE IX/CHAPTER IX

EUROPE DE L'OUEST ET MOYEN-ORIENT
WESTERN EUROPE AND THE MIDDLE EAST

PREMIÈRE PARTIE/PART 1

EUROPE DE L'OUEST : GÉNÉRALITÉS
WESTERN EUROPE: GENERAL

SECTION A

RELATIONS AVEC LA COMMUNAUTÉ EUROPÉENNE DU CHARBON ET DE L'ACIER
LIAISON WITH THE EUROPEAN COAL AND STEEL COMMUNITY

891. DEA/10094-40

Note de la Direction européenne pour la Direction économique

Memorandum from European Division to Economic Division

CONFIDENTIAL Ottawa, March 24, 1953

LIAISON WITH THE ECSC

You will see from paragraph 8 of despatch No. 174 of January 21, 1953,† from London, that the High Commissioner believes that we should give some thought to what our attitude would be:

1. if the United States accredits a delegation to the High Authority and is invited to send (congressional) observers to the ECSC Assembly;

2. alternatively, if we were requested concurrently with the United States to send a delegation to the High Authority.

This problem is largely theoretical at the moment, but the High Commissioner suggests that we might later be faced with the necessity for a rapid decision.

2. Relations between the ECSC and non-member countries have recently become more clearly defined. The following appears to be the position at the moment:

(a) *The United Kingdom* has established a formal permanent delegation to the High Authority, and a Joint Committee, presided over by M. Monnet[1] himself, has been set up in Luxembourg to increase cooperation. *The United Kingdom* also wishes to have official parliamentary observers in the ECSC Assembly, with the right to speak. M. Schuman feels that such observers should only be allowed to speak when questions such as GATT, overseas trade, or the question of relationship between the High Authority and non-member countries are under consideration. M.

[1] Jean Monnet, président, Haute Autorité, Communauté européenne du charbon et de l'acier.
Jean Monnet, President, High Authority, European Coal and Steel Community.

Monnet, in contrast, views the ECSC Assembly as a sovereign federal parliament in which foreign observers would be quite out of place. At its recent meeting, the ECSC Assembly accordingly voted to exclude British and other foreign observers from any official part in its deliberations. M. Monnet stated that the opening of the common market (February 10) might provide the opportunity for a specific definition of the association between the United Kingdom and the ECSC, and indicated that this would open the way for fixing relations with countries that wanted association and with those that wanted observers. In this connection, you will remember that M. Spaak[2] earlier expressed his views that countries such as the *United Kingdom* who wished a close working relationship with the ECSC would have observers with the right to speak but not to vote; and purely consumer countries, such as *Ireland* and *Iceland*, would have non-speaking, non-voting observers.

(b) The *United States* has not yet clearly defined the nature of its representation to the High Authority. At present it has an "Acting Representative at the seat of the High Authority", who, however, is not permanently stationed there. More formal arrangements will be made in the near future; probably the delegation will have a status similar to that of the *United Kingdom*.

(c) *Sweden* has decided to appoint a delegation (of which one member will be permanently stationed in Luxembourg) "to make contact with the High Authority". The press release on the subject was rather vague on the precise nature of the relationship, but our Minister in Stockholm expects it to be of a rather informal character. The delegation was merely to hold a "watching brief" until the setting up of the common market. Sweden will maintain a cautious attitude towards the ECSC until it has proved itself capable of carrying out its functions; in the meantime Sweden will rely upon its normal competitive position in the market to dispose of Swedish products.

(d) Mr. Spierenburg, the Dutch member of the High Authority, expects shortly to conclude similar arrangements with *Norway*. The *Danes* have appointed their Permanent Delegate to the OEEC, as "Liaison Officer" to the ECSC. *Denmark* may conceivably join the Community as a full member later on. *Norway* has decided to send a permanent delegation to Luxembourg.

(e) Mr. Spierenburg also contemplates some kind of unpublicized representation from *Austria*.

(f) *Switzerland* has to be represented although there are indications that she views the Community with distinct mistrust.

(g) *Turkey* is not likely to establish liaison with the ECSC in the near future, despite the recent increases in production of crude steel and iron ore in that country. The MSA mission believes that Turkey is not yet an exporter of these commodities to an extent which would justify such a liaison.

(h) Mr. Spierenburg stated to the wife of the Canadian Minister in Stockholm, but not to the Minister himself, that he hoped *Canada* would at a later date become

---

[2] Paul-Henri Spaak, président, Assemblée commune, Communauté européenne du charbon et de l'acier.
Paul-Henri Spaak, President, Common Assembly, European Coal and Steel Community.

associated with the High Authority in some manner. It is only in this extremely devious manner that the question of *Canada's* relationship to the ECSC has come up at all as yet.

3. You will remember that in a memorandum of November 20, you expressed the opinion that no decisions on strictly commercial aspects of the ECSC of interest to Canada would be taken in December in the United States or United Kingdom Joint Committees. Your opinion was fully justified by events, as in fact, the US-ECSC Joint Committee has not even been set up as yet. You also stated that Canada had some interest in the economic implications of the ECSC, and that some form of liaison in order to follow economic developments might be desirable in the future.

4. You will also observe from letter No. 1 of January 21, 1953, to Paris-NATO from the Ambassador in Bonn† that he believes the activities of the body should be of interest to Canada both from the political and economic points of view.

5. Our tentative view at present is that:

(a) The activities of the ECSC Assembly, as distinguished from those of the High Authority, are not for the present of sufficient importance politically[3] to justify our sending observers, parliamentary or otherwise. Moreover, it is liable to be some time before the twin sister of the ECSC Assembly, the "Ad-hoc" Political Assembly, is endowed with real powers. Until that time its constitution-making activities are liable to be conducted under conditions of intense publicity and public debate which would render an on-the-spot Canadian observer largely unnecessary, unless it was clear that secret negotiations were taking place there about which information could be obtained by an observer.

(b) We believe that the High Authority is not liable to carry on political activities of any importance until a European Political Community is on the point of coming into being. This does not seem likely for some time.

(c) Thus a formal Delegation to the High Authority would seem to be quite unnecessary from a political point of view. It would probably be quite easy to decline gracefully an invitation to accredit such a delegation, particularly in view of the smaller European countries who have resorted to more informal methods of association with the ECSC.

(d) A less formal type of representation at the seat of the High Authority could be considered, either on a basis of occasional visits or of permanent residence. Such representation would be useful but definitely not vital at present in gathering political information.

6. The problem of liaison with the ECSC, as far as this Division sees it, therefore, resolves itself almost exclusively into the question of Canada's long-range economic interest (e.g., Labrador iron ore, Canadian capital investment in Europe, etc.) in the Community. This Division believes, accordingly, that the decision whether or not to recommend the establishment of liaison with the ECSC is primarily the concern of your Division.

N.F.H. B[ERLIS]

---

[3] Note marginale:/Marginal note:
for Canada

892. DEA/10094-40

Note de la Direction économique pour la Direction européenne

Memorandum from Economic Division to European Division

CONFIDENTIAL Ottawa, April 25, 1953

CANADIAN LIAISON WITH ECSC

Reference: Your Memorandum of March 24.

In your memorandum you draw attention to the suggestion of our High Commissioner in London that some thought might be given to the possible desirability on some occasion of our accrediting a delegation to the High Authority and/or sending observers to the ECSC Assembly. You suggested that, at the present time, and particularly as long as the European Political Community has not been constituted, the political activities of the High Authority and of the Assembly are not such as to justify Canadian observers. You conclude that it is primarily the concern of this Division (insofar as this Department may wish to take a position on the question of possible Canadian representation at the seat of the ECSC) to consider whether or not a recommendation should be made that Canada should establish liaison with the ECSC. I take it that this conclusion of your Division relates only to present circumstances and that should the EDC be ratified and the EPC come into existence you might wish to re-examine this question from the political point of view.[4] The opinion given below relates to existing circumstances.

2. In our memorandum of November 20, 1952 it was indicated that at that time we considered, insofar as Canada might have either a direct commercial interest or a more general economic interest in ECSC, that it was sufficient to continue to receive periodic reports from our Missions. I find that, in the light of what has transpired in the last five months, the position of this Division remains the same.

3. Canada has the following commercial and economic interest in ECSC:

(1) As a consumer of European steel, we will wish to follow the Community's price policy (and its attitude towards export quotas in time of scarcity) and to watch any apparent tendencies to rig the market in a way which might adversely affect the interests of consumer countries.

(2) As an exporter of iron ore the possible effects on Canadian exports of the gradual rationalization of the European iron ore market would be of significance to Canada. I believe German imports of Wabana ore are on a long-term contract basis but there is a possibility that the long-term trend in the Community will be towards a greater use of French iron ore.

(3) It would also be desirable to watch the development of the Community and its general effects on the efficiency of European industry, — the iron and steel industry directly and the engineering and other industries indirectly.

---

[4] Note marginale:/Marginal note:
yes [L.B. Pearson]

4. To some extent our commercial and economic interests already are safeguarded and we are in a position to watch developments. As you know, when the Contracting Parties to GATT granted waivers to the Community from certain of the obligations under the General Agreement, these waivers were restricted to only those necessary for the operation of the single market. In view of this, and as the High Authority could be requested to consult with the Contracting Parties with respect to the exercise of these waivers, non-member countries have obtained some measure of protection from the possibility of the High Authority pursuing undue discriminatory policies. A similar arrangement exists with respect to the obligations under the OEEC Code of Liberalization.

5. Taking the introduction of the common market in coal, iron ore and scrap iron as a guide, it is evident that the process of establishing these common markets is going to be a very gradual one. It would seem, therefore, that it should be sufficient from the point of view of this Division to follow a policy of wait and see with respect to the desirability of Canadian representation at the seat of the High Authority. Moreover, it would seem that the possibility cannot yet be ruled out that ECSC may flounder at the first obstacles. It has avoided and has not yet come to grips with a number of important problems with respect to the introduction of the common market in iron ore. From both a political and economic point of view it would seem that we should re-examine the question of Canadian representation at a later date, possibly if and when EDC is ratified.[5]

6. With respect to the representation already established by the United Kingdom and the United States, both these countries of course have a much greater political and economic interest in the Community and I do not think we need to take their action as a guide. However, the form of their representation is of interest and, from the point of view of this Division, if Canadian representation were arranged in the near future, the procedure adopted by the United States, or possibly by Denmark probably would be satisfactory.

7. In conclusion, I see no need at the present time to consult with other Government departments or to take any other initiative with respect to Canadian representation; and I feel we should continue to rely on the reports of our Missions about the activities and the development of the Community. If we should receive an invitation to establish some form of representation, I do not consider that commercial and economic considerations alone would justify Canadian representation. (The question would have to be examined on political grounds as well.)

A.E. RITCHIE

[5] Note marginale:/Marginal note:
Yes [L.B. Pearson]

SECTION B

CONFÉRENCE EUROPÉENNE DES MINISTRES DES TRANSPORTS
EUROPEAN CONFERENCE OF MINISTERS OF TRANSPORT

893. DEA/11143-B-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Assistant Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, December 13, 1953

EUROPEAN CONFERENCE OF MINISTERS OF TRANSPORT

In a memorandum to you dated November 16, 1953,† we reported that Ministers of Transport from OEEC countries and from Spain had agreed to establish a permanent European Conference of Ministers of Transport and that it was open to Canada to become an associate member upon request. The Conference is to consist of a Council of Ministers of Transport and a Committee of Deputies. These two bodies are to be assisted by an administrative secretariat.

2. Article 4 of the Protocol concerning the European Conference of Ministers of Transport deals with membership and associate membership. The Article reads in part as follows:

"(2) The associate members of the Conference shall be the Government of the United States of America and the Government of Canada, if they so request, and any other Government, after its application for associate membership has received the unanimous approval of the Council".

"(3) Associate members may be represented at all meetings of the Council and of the Committee. All documents originating in the Conference shall be communicated to them".

3. Although there is some grammatical ambiguity in paragraph 2 of the English text, the interpretation has been checked with the State Department and with the Belgian Ministry of Communications. Moreover, the ambiguity does not exist in the French text, and it is clear that Canada, along with the United States, is in a preferred position in that the Council has agreed in advance that Canada will become an associate member *ipso facto* upon request.

4. So far as we can learn, associate membership would not carry formal duties or responsibilities, and in particular there would be no financial obligation upon an associate member, although there would undoubtedly be a moral duty to attend meetings and to show some interest in the activities of the organization. It would also appear that the only privileges would be the right to be represented by an observer at meetings of the Conference and the right to receive Conference documents.

5. The question arises whether Canada should request associate membership in the Conference. There are both political and technical considerations which we shall endeavour to set out below.

6. On the political side, we are interested in following the efforts of European countries towards integration. Further, both Spain and Yugoslavia were invited to participate in the organizational session of the Conference and we were curious to observe the manner in which those countries might cooperate with their neighbours; but Yugoslavia did not attend, and although a representative of Spain attended and signed the Protocol, State Department officials expect that Spain will only apply for associate membership and not full membership in the permanent Conference. We also have a political interest in the new organization because of its ties with OEEC, of which we are an associate member; but some OEEC countries, such as Ireland and Iceland, will not be members of the new organization so that there is scarcely likely to be pressure to have complete OEEC representation in the Transport Conference.

7. On the technical side, we have never considered that the work of the Conference would be of direct interest to Canada. It seems likely that the Conference, after technical discussions, will call on existing organizations such as OEEC and ECE to do the substantive work which the Ministers of Transport may recommend. In view of our association with OEEC and our satisfactory working relations with ECE, any possible Canadian interests in the technical work of the Transport Conference will probably be met without associate membership in the new organization.

8. The Conference of Transport Ministers will normally hold meetings in Paris and if a Canadian observer were to attend, it would fall upon our Delegation to NATO and OEEC to provide an officer for this purpose. Because of the small staff attached to our Paris Mission and the commitments of that Mission which deserve priority, it would be difficult to arrange for attendance at all meetings of the Transport Conference. Through OEEC it should, however, be possible to obtain documents relating to the Transport Conference even if Canada does not become an associate member and is not represented at meetings by observers. It should also be possible for our Delegation in Paris to obtain information from OEEC colleagues and to report on any significant developments which might arise in the Transport Conference even if Canada is not an associate member of that organization.

9. On balance, it does not appear to us that the political or technical advantages of association with the Transport Conference are important enough to justify a Canadian application for associate membership.[6] This is particularly true in the light of difficulties which might be encountered in providing observers for all meetings and in consideration of the fact that we shall presumably be able to obtain documents and information by virtue of our association with OEEC. The United States has not yet decided what attitude they will adopt, but if the United States should request associate membership, this should cause no misunderstanding with respect to the

---

[6] Note marginale:/Marginal note:
I agree L.B. P[earson]

Canadian position for the United States has played a much more active role in post-war European reconstruction than has Canada, the United States is still an occupying power in Germany and Austria, and our personnel problems are not shared by the United States.

10. Do you agree that Canada should not at this time request associate membership in the European Conference of Ministers of Transport?[7]

11. We have been informed through the Belgian Embassy in Ottawa of our right to become associated with the new organization and recently the Embassy has reported that early in the New Year a meeting of the Transport Conference is likely to take place at which only members and associate members will be present. We have already acknowledged the information provided by the Belgians and are not called upon to respond to a formal invitation. If you agree that Canada should not request associate membership, do you also agree that the Belgians might be told informally that it is not our intention to request associate membership at this time because of personnel difficulties and the likelihood that the substantive work of the Conference will not be of direct concern to us?[8] We might add that we hope to follow the progress of the new organization through our association with OEEC and that should circumstances change, we would no doubt wish to reconsider our present decision.

12. If you agree with the above suggestions, we believe that it would be courteous to seek the concurrence of the Departments of Transport, Trade and Commerce and Finance before communicating with the Belgian authorities. The concurrence of the other Departments might be sought on the Deputy Minister level. Do you agree with this procedure?[9]

R.M. M[ACDONNELL]

---

[7] Note marginale:/Marginal note:
yes [L.B. Pearson]

[8] Note marginale:/Marginal note:
yes [L.B. Pearson]

[9] Note marginale:/Marginal note:
yes L.B. P[earson]

894. DEA/11143-B-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Belgique

Secretary of State for External Affairs
to Ambassador in Belgium

TELEGRAM 3 Ottawa, January 6, 1954

RESTRICTED. IMPORTANT.

EUROPEAN CONFERENCE OF MINISTERS OF TRANSPORT

Reference: Our Tel. 185 of Dec. 29, 1953.†
(Ref. for CANAC — Our Tel. 931 of Dec. 29, 1953)
Repeat Canac No. 2.

Other interested Departments agree with our view that Canada should not repeat not at this time request associate membership in the Transport Conference. Will you please pass this information on an informal basis to the Belgian authorities explaining that our decision has been taken in view of personnel difficulties and the likelihood that the substantive work of the Conference may not be of direct concern to Canada. You should add that we hope to follow developments in the Transport Conference through our association with OEEC and that should circumstances change we will reconsider our present decision.

2. During the session of the Transport Conference to take place in Paris this week our Delegation to OEEC may be questioned concerning Canadian intentions. In response to enquiries, it will be in order for the Delegation to convey the information contained in paragraph 1 above.

3. We shall also inform the Belgian Embassy in Ottawa of our decision.

SECTION C

ORGANISATION EUROPÉENNE DE COOPÉRATION ÉCONOMIQUE
ORGANIZATION FOR EUROPEAN ECONOMIC COOPERATION

895. DEA/50123-40

Le secrétaire d'État aux Affaires extérieures
à la délégation permanente auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Delegation to North Atlantic Council

TELEGRAM 54 Ottawa, January 21, 1953

SECRET

DISCUSSIONS IN OEEC ON PROPOSALS EMANATING FROM THE COMMONWEALTH ECONOMIC CONFERENCE[10]

Repeat London No. 81; Washington No. EX-107.

Thomson of the UK High Commissioner's Office has spoken to us about suggestions which have been made that they should divulge these proposals at this time to the Secretary-General and to the Delegations in Paris. He has left with us a memorandum requesting our support in resisting any such suggestions that may be made in the OEEC. This memorandum notes that a firm decision on the question of entering formal negotiations destined to give effect to a definitive plan on the lines discussed at the Conference can only be made in the light of exploratory discussion with the United States and later with European Governments. The memorandum continues:

"It would clearly be impossible at this stage to make any precise suggestion as to how such formal negotiations might eventually be conducted; but it is certainly the intention of the United Kingdom Government that they should be designed to secure international agreement and collective action in which European Governments would be associated together with the United States and the Commonwealth.

The United Kingdom Government believe that the wider exploratory discussions which they intend to have after the first informal approach to the United States may to a considerable extent have to be conducted on a bilateral and inter-governmental basis because of the nature and secrecy of the proposals. They wish to assure the Canadian Government that they fully recognise the special interests of the Canadian Government and that it is their firm intention when the time comes to consult the Canadian Government and to have a full exchange of views with them.

---

[10] La conférence eut lieu à Londres, du 27 novembre au 11 décembre 1952. Voir volume 18, documents 570-607.
The conference was held in London, November 27-December 11, 1952. See Volume 18, Documents 570-607.

At the same time, the United Kingdom Government realise that any proposals for moving towards freer trade and currencies must have important consequences for the work of the OEEC particularly in relation to the future of the European Payments Union and the liberalization of trade. They therefore intend that the organisation should be brought into these further exploratory discussions to the maximum possible extent and should be given adequate opportunity of examining the adjustments that might have to be made in the present arrangements.

For the time being, however, and until the exploratory discussions referred to above have indicated whether a satisfactory basis for international agreement is likely to be found, it appears to the United Kingdom Government that it would be unrealistic for the Organisation to attempt to take these longer term possibilities into account in its current programme of work. They consider therefore that the Organisation's work in regard to the continuation of the EPU after 30th January 1953, and to the liberalization of trade should be carried forward on the existing basis on the assumption that the EPU would continue until there was some change in existing international currency arrangements of such a broad character as to require major adjustments to be made to EPU. The Organisation would however be given ample time and opportunity for the study of those adjustments and their consequences.

The United Kingdom Government hope that in the light of the explanations given in this message the Canadian Government will feel able to instruct their representatives in the Organisation to support this line".

2. We agree that you should cooperate in helping to ease the pressure on the United Kingdom to inform the OEEC at this stage regarding the proposals discussed at the November Conference. Time should be allowed for the United Kingdom to complete the necessary soundings in Washington and to carry out the required bilateral exploratory conversations with the principal European Governments before this subject is thrown open for general discussion in the OEEC forum. Accordingly, it would not appear possible for the OEEC to make any allowance for the various longer term possibilities in any current discussion relating to the immediate future of the EPU.

3. It would not seem essential for us to support the view that the "existing basis" is necessarily the most suitable one for the continuation of the EPU or for carrying forward the liberalization of trade. Any improvements which can be made in the present basis, without involving assumptions concerning the "longer term possibilities", should presumably be considered.

896. DEA/4901-F-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 55 Paris, January 27, 1953

SECRET

DISCUSSION IN OEEC ON PROPOSALS OF COMMONWEALTH ECONOMIC CONFERENCE

Reference: Your telegram No. 54 of January 21, 1953.

We shall be glad, following your instructions, to "cooperate in helping to ease the pressure on United Kingdom to inform the OEEC at this stage regarding the proposals discussed at the November conference". However, it would help us to carry out your instructions if we could have some additional information and guidance. Our files contain the complete series of telegrams from London to Ottawa regarding the Prime Ministers' Conference and regarding the preceding official conference, but little else. These telegrams do not throw much light on some of the substantive and procedural issues now emerging. Only one telegram bears directly on the role of OEEC (No. 16 of October 6) and this does not distinguish at all clearly between the responsibilities of certain OEEC countries (members of the nuclear group) and the functions of OEEC as an organization. The particular points on which we would like guidance are as follows:

(a) Are we right in assuming that the United Kingdom, in its preliminary approach to Washington, will be raising for discussion all the main issues touched upon in the two series of telegrams from London mentioned above, except those issues on which the United Kingdom failed to obtain substantial support, e.g. the elimination of the "no new preferences" rule? Which of the issues would you expect the United Kingdom to press most strongly?

(b) How far can it be said that the United Kingdom will be approaching the United States merely on its own behalf after consulting other Commonwealth countries or how far on behalf of the other Commonwealth countries (or other sterling Commonwealth countries)? We have no doubt that many OEEC countries imagine that the United Kingdom approach to the United States is on behalf of the Commonwealth.

(c) Are we right in believing that, early in the Conference, the United Kingdom was inclined to take the line that, in putting forward and pressing the new Commonwealth proposals, it would necessarily have to be withdrawing support from OEEC and EPU; and are we further right in believing that it was partly because of Canadian initiative that the United Kingdom came around to the view that goals of convertibility and flexibility might be sought partly through the medium of OEEC and EPU broadened and extended as required?

(d) How far do you consider that continued membership of EPU would be incompatible with progress towards convertibility, assuming that such progress was made not by the United Kingdom alone but by all members of the "nuclear group" at the same time and at roughly the same speed? The recent OEEC study relating to convertibility (TP(52)36 of December 11, 1952) does not seem to come to grips with this particular problem. We were somewhat disturbed to learn (London's telegram to you No. 102 of January 22, paragraph 7†) that the United Kingdom propose to insert in the new EPU agreement a clause permitting any country which restores convertibility to withdraw from EPU. We would have thought that such a proposal coming from the United Kingdom at this time would have confirmed suspicions among the European countries that the United Kingdom was planning to abandon them in favour of some separate Commonwealth arrangement with the United States.

(e) How far do you wish us to go in supporting the United Kingdom along the lines of your instructions under reference? Do you merely wish us to make a short formal statement in the next meeting of the heads of OEEC delegations, or do you wish us in addition to talk privately to some of the leading delegations? The latter approach would, of course, carry a good deal more weight. On the other hand, such approaches on behalf of the United Kingdom would have to be carried out very delicately.

2. We do not find it easy to piece together from the two series of telegrams either the final conclusions of the conference (apart from those that could be touched upon in the communiqué) or the Canadian position relating to those conclusions. If a report on the conference has been prepared in Ottawa, we should be grateful to receive a copy.

3. The next meeting of OEEC on these matters is on Monday, February 2. Please send us such guidance as you can by that time.

897. DEA/4901-F-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord
au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council
to Secretary of State for External Affairs

TELEGRAM 61 Paris, January 28, 1953

SECRET

DISCUSSION IN OEEC ON PROPOSALS OF COMMONWEALTH ECONOMIC CONFERENCE

Reference: Our telegram No. 55 of January 27 and your telegram No. 54 of January 21.

We have now had a talk with the United Kingdom representative on the OEEC, Ellis-Rees. He is, of course, following his instructions and disclosing nothing at this

time of the nature of the Commonwealth proposals. Incidentally, he said that Marjolin when visiting London last week learned virtually nothing. However, Ellis-Rees is gloomy about the probable impact of the policy of silence on OEEC and EPU. It may be two or three months before the United Kingdom have satisfactory discussions, even on a very preliminary basis, with the new United States administration, and meanwhile, since the OEEC and EPU are to be kept in ignorance of the Commonwealth plans, they can do little serious planning themselves but must simply mark time. Ellis-Rees emphasized that it was the time factor that worried him; he felt continental countries would have willingly accepted the fact that the United Kingdom should make the first informal contact with the United States if it had not been for the long delay that this involved.

2. Ellis-Rees does not plan to make another statement in OEEC on February 2nd (the text of his statement made on January 19 was sent to you on January 20 under cover of letter No. 174†). However, it may be useful for us to intervene at that time following your instructions, and therefore we would appreciate the guidance requested in our telegram under reference. Ellis-Rees expects that the reports of the chairmen of the Managing Board and Steering Board will be of a pretty negative character indicating that, in the absence of knowledge of Commonwealth proposals or of plans for contacts with Washington, they cannot make much progress.

3. Ellis-Rees confirmed that in the EPU Managing Board the United Kingdom have now indicated their desire for an escape clause permitting a country to withdraw from EPU if it restores convertibility. According to Ellis-Rees the United Kingdom was forced to put forward this reservation because of pressure from the French to disclose their intentions.

4. Ellis-Rees expressed doubts about the practicability of restricting the "nuclear group"[11] to France, Belgium and Holland as far as the continent of Europe was concerned. He apparently felt that both Germany and Italy would have to be included as members of the "European community". As for the Scandinavian countries, he referred to meetings of "UNISCAN"[12] as a channel through which their views could be made known.

---

[11] Lorsque les fonctionnaires tinrent la réunion préparatoire de la Conférence économique du Commonwealth, il fut proposé de constituer un groupe de "pays nucléaires" qui comprendrait le Royaume-Uni, les États-Unis, la France, la Belgique et les Pays-Bas afin de gérer un fonds de stabilisation des changes qui faciliterait le mouvement vers la convertibilité. Voir volume 18, document 593.

A "nuclear group" composed of United Kingdom, United States, France, Belgium and the Netherlands was proposed at the Preparatory Meeting of Officials for the Commonwealth Economic Conference, to manage an exchange stabilization fund that would assist the movement towards convertibility. See Volume 18, document 593.

[12] United Kingdom-Ireland-Scandinavia.

898. DEA/50123-40

Le haut-commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom
to Secretary of State for External Affairs

TELEGRAM 148 London, January 28, 1953

TOP SECRET. IMMEDIATE.

OEEC AND THE PROPOSALS OF THE COMMONWEALTH ECONOMIC CONFERENCE

Reference: Telegram No. 55 of January 27 from the Canadian delegation to OEEC. Repeat Canac.

The telegram under reference reflects the fact that the secret of the plan for a "collective approach" has been well kept, not only in all the Commonwealth countries but also within the Canadian Government service!

2. Clearly most of the questions contained in the telegram result from the fact that our OEEC mission have not seen the final reports from the Commonwealth Economic Conference. Nor have they seen the minutes of the Conference which would help to explain, at least partially and tentatively, certain of the more indefinite aspects of the plan for a "collective approach", e.g. the question of procedure and timing for consultations with the United States and European countries, the probable role of the OEEC as an organization, and the future of EPU. Although it was probably desirable two months ago to limit the distribution of documents to the essential minimum, I should think that we should now make these documents available to our OEEC mission. This does not mean, of course, that our people in Paris should reveal to their OEEC colleagues any information beyond what was contained in the communiqué issued at the end of the conference.

3. Couillard[13] will be going through Paris this week-end and, if you agree, he could take with him a selection of the basic documents. He would also be able at the same time to fill in some of the background and supplement the answers which you have supplied to the points raised in the telegram. If you wish this done, we would have to know by tomorrow, Thursday, night.

[13] Louis Couillard, premier secrétaire, haut-commissariat au Royaume-Uni.
Louis Couillard, First Secretary, High Commission in United Kingdom.

899. DEA/50123-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs to High Commissioner in United Kingdom

TELEGRAM 127 Ottawa, January 29, 1953

TOP SECRET. MOST IMMEDIATE. (LONDON ONLY).

OEEC AND THE PROPOSALS OF THE COMMONWEALTH ECONOMIC CONFERENCE

Reference: Your Telegram No. 148 of January 28.
Repeat Canac No. 81.

1. We are grateful for your message. By all means have Couillard take the necessary documentation in order to ensure that our NATO/OEEC Mission has sufficient background on the "collective approach". It should be emphasized to the delegation that any such documentation is solely for their own information and is not in any circumstances to be disclosed to other OEEC delegations. The circulation of these documents in Ottawa is being kept on a strict "need to know" basis.

2. We appreciate that the current United Kingdom surplus in EPU accompanied by continued import restrictions, and the general political background to United Kingdom-Continental relations tend to create special difficulties for the United Kingdom in the present situation. We recognize also that our own Delegation is in a somewhat embarrassing position since Canada is the only other country associated with the OEEC which is familiar with the UK proposals. We think, however, that it must be left pretty much to the UK to judge at what time, and in what manner, it would be desirable to take the OEEC countries into their confidence in the light of the discussions required with the United States.

3. In our earlier message we had intended that our Delegation should give general and friendly support to the UK in avoiding premature discussion of the proposals in the OEEC. We had not intended, and we do not now intend, that the Delegation should get involved at this stage in substantive discussion of the proposals, or of their possible relationship to the future of the OEEC and EPU. We would hope that the Delegation would do its best, within these limits, to allay the understandable fears and suspicions of the European representatives.

900. DEA/50123-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM 91 Ottawa, January 31, 1953

SECRET. IMPORTANT.

PROPOSALS OF COMMONWEALTH ECONOMIC CONFERENCE — POSITION OF OEEC

Reference: Your telegrams No. 55 of January 27, and No. 61 of January 28, London telegram No. 148 of January 28, and our reply No. 127 of January 29, repeated to you as No. 81.

Repeat (without priority) London No. 143; Washington No. EX-173.

The documents which Couillard is bringing over and the explanations he can supply should serve to clarify most of the questions you have raised, so far as answers can be given at the present time. His guidance and the views set out below should be regarded as for your own information. As indicated in our telegram No. 127, it is not considered advisable for you to discuss the substance of the proposals with other delegations and we are satisfied to leave the initiative with the United Kingdom at this stage.

2. The most pressing question you raise is what action you should take in supporting the United Kingdom in their unwillingness to disclose the details of the proposals to their OEEC partners. We consider that the United Kingdom is right in being unwilling to run the risk of leakage that would be involved. These risks relate less perhaps to the matter of exchange rate techniques which are contemplated, about which there has already been a good deal of rumour and discussion during the past year or so, than they do to the question of financial support through the Fund or otherwise. If a definite indication of what is planned comes out of Paris and the European countries start staking out their own claims, we think there is a real danger of adverse opinion becoming crystallized in the United States before the Administration has had an opportunity of hearing the whole story. This would obviously compromise the prospects for success of the Commonwealth plan.

3. Judging from WA-215 of January 28,† it may be some time before the extent of the United States willingness to participate in the scheme is known. In these circumstances it seems inevitable that the irritation of most Continental Authorities with the United Kingdom's apparent secretiveness will increase. While it would seem desirable for you to be as helpful as possible in easing the United Kingdom's embarrassment the effectiveness of any formal support we can give to the British, particularly in OEEC meetings, is of course limited by the fact that we took part in the London meetings and are fully familiar with the proposals. Knowing this the Europeans may look askance at counsels of patience coming from Canada. Moreover, European anxiety about the Commonwealth proposals no doubt reflects, in part, concern lest they have the effect of moving the United Kingdom away from

tight and restrictive association with OEEC countries and towards closer collaboration with North America in a wider framework. A formal intervention in support of the United Kingdom's desire for secrecy at this stage might merely add fuel to the flames of suspicion.

4. While we see these objections to any formal statement on your part, or to an official approach to the Heads of the main European Delegations, we think that you can play a helpful and useful part in informal discussions, since you will at least be less suspect than the United Kingdom representatives. If you are approached by other delegations you might informally indicate your support for the United Kingdom position on the procedure to be followed and that you consider no real purpose would be served by discussing the proposals in OEEC until the reaction of the United States is known and until European governments have been consulted individually. It would be well to indicate our recognition that the delay is unfortunate and irritating but in this connection it might be pointed out that it is largely the product of the political timetable in the United States. You might give it as your opinion that the interests of all, including the OEEC countries, will best be served if the procedure suggested by the United Kingdom is followed. We think that your influence might be most effective if an opportunity presents itself to make these points with the representatives of Belgium, The Netherlands, Germany, the Scandinavian countries and possibly Italy and Switzerland. Our guess is that, for a variety of reasons not necessarily connected with finance and trade, the French Delegation will not be open to conviction at this stage.

5. The following are short answers to the other questions raised in your telegram:

Issues to be discussed with United States Authorities by United Kingdom Representatives

The "collective approach" to multilateral trade and payments will, we think, be presented in Washington as an integrated plan to be considered as a whole and it is likely that all the main issues touched on in the December series of telegrams from London will be brought up and related one to another. Although the approach to the Contracting Parties of the GATT fore-shadowed in paragraph 16 of the Communiqué, regarding certain possible increases in preferences, is not really a part of the "collective approach" as such, it will no doubt be discussed with the United States authorities. It is difficult to say which of the issues the United Kingdom will press most strongly but the matter of the exchange support fund is clearly an essential part of their proposals and they must also attach great importance to United States commercial policy. You will have seen from WA-215 of January 28, that a memorandum has been prepared by the United Kingdom and that Makins will probably be submitting it shortly to the US State Department and Treasury as an "advance informal indication" of the nature of the proposals. We have not seen this memorandum and, therefore, do not know in what precise terms the plan may be presented.

Extent to which the United Kingdom is acting for other Commonwealth Governments in approach to the United States.

The plan as a whole will be put forward as one which has commended itself to Commonwealth Countries as being worth discussion with the United States and other interested governments as a possible practical basis for a collective approach to a multilateral system of trade and payments. Commonwealth governments are to be kept informed of the course of the discussions and final decisions will be taken by individual governments only after the views of the United States, the main European governments, and the International Organizations concerned have been ascertained.

Effect of Proposals on United Kingdom's Support of OEEC

The United Kingdom did not put forward the view that the proposals would necessarily involve a withdrawal of support from OEEC and consequently there was no need for the Canadian Delegation to urge them to change any such view. Indeed in the original United Kingdom proposals the OEEC was to play an important role in the progressive removal of quantitative restrictions and apparently the United Kingdom still expects that there will be a good deal for the Organization to do in connection with the liberalization of trade.

Effect of Proposals on EPU

The effect of the introduction of convertibility for non-resident sterling on the position of EPU was not gone into thoroughly by the Conference. It would seem, however, that the proposals, if implemented, would require, at the very least, radical revision of the Payments Union, and if in fact the main participating countries were to join in the convertibility operation, the EPU would presumably become superfluous. If the other important countries now in EPU were not undertaking convertibility at about the same time as it was introduced for sterling it would seem necessary for the United Kingdom to withdraw because of the impractibility of operating with a convertible currency in a system of inconvertible currencies. It is difficult to see how the United Kingdom with its limited reserves, even with the assistance of any likely support fund, could accept the credit obligations of EPU once sterling had been made convertible. Pending clarification with the governments concerned on the possibility of implementing the "collective approach" there would seem therefore to be no alternative for the OEEC in planning its work but to assume a continuation of the EPU in more or less its present form.

6. I should be grateful if you would consider this telegram both as a reply to your telegram under reference and as our commentary on your letter to the High Commissioner in London of January 21st.

901. DEA/50123-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 82 Paris, February 3, 1953

SECRET

PROPOSALS OF COMMONWEALTH ECONOMIC CONFERENCE — POSITION OF OEEC

Reference: Your telegram No. 91 of January 31.

We very greatly appreciate your telegram under reference. It gives us exactly the guidance that we need and it is clear that you fully appreciate the delicacy of our position.

2. I was able to have a short talk with Robertson in London on these matters last week, and, thanks to your permission, Couillard had an hour's talk with Plumptre and myself on his way through Paris. He left with us a few basic documents which are only being shown to certain members of this delegation on a need-to-know basis.

3. We are reporting separately on yesterday's meeting of the Heads of Delegations of OEEC and also on a conversation between Plumptre and the UK delegate to the EPU. We get the impression that, at least for the time being, tensions are relaxing here. Accordingly we are for the time being taking no initiative, but will take any convenient opportunity that may arise to speak along the lines of your paragraph 4 to the delegations you suggest.

902. DEA/4901-F-90

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 83 Paris, February 3, 1953

CONFIDENTIAL

OEEC PROGRAMME OF WORK FOR 1953

Reference: Our telegram No. 61 of January 28.

Baron Sney and Mr. Calvet[14] reported yesterday to heads of delegations on the work of the Steering and Managing Boards. We will send copies of their statements

[14] Pierre L. Calvet, deuxième sous-gouverneur de la Banque de France.
Pierre L. Calvet, Second Deputy-Governor, Bank of France.

to you in due course. Neither statement produced anything unexpected. In general they pointed up the difficulties of planning future work in the present uncertain situation. Both boards consider progress in liberalization to be at a standstill and Calvet considers a further retreat at least a possibility unless the two main countries, United Kingdom and France, withdraw restrictions.

2. Calvet reported that at the last meeting of the Managing Board, all members except Norway had expressed strong regret that the United Kingdom was not prepared immediately to disclose the main lines of its proposed approach to the United States. Many members had also expressed a hope that the approach would result in a strengthening of the union as a whole rather than an attempt by some countries to break away from it. Calvet expressed the view that the maintenance of EPU even as it exists today would be a real achievement. He suggested that a change in quotas and gold points might be required to prepare the way for the convertibility of the union as a whole.

3. A number of representatives commented on these two statements. On the whole the comments indicated a greater sympathy and understanding of the United Kingdom difficulties than were shown in previous meetings. Most of the countries have apparently accepted the fact that the United Kingdom will have to make the first approach to the United States but several expressed the hope that information on the approach would be given to the OEEC at the earliest possible date. The greater sympathy for the United Kingdom position probably reflects the success of the representations which the United Kingdom has made to the larger OEEC countries since Ellis-Rees' statement to council on January 21. We will send you a summary of the comments of individual representatives by air bag tomorrow.

4. After the other representatives had spoken Ellis-Rees made a very helpful statement which should serve to allay further the fears of the European countries. In part he said "I and my minister are firm believers in the organization. This is our (firm?) policy. Otherwise we would certainly not have undertaken to occupy this chair when council asked us to do so last June". He recalled the great success which was agreed in the formative stages of EPU when it was found possible to bring the sterling area into close association with the EPU. Now that there was a new suggestion that the sterling area might move toward a wider system of trade and payments, a procedural problem was raised by the fact that sterling was "owned" by a number of countries which were not members of the OEEC. He emphasized that the United Kingdom "was trying to do the best thing by everybody" and stated that the United Kingdom would "take the very earliest opportunity after exploratory talks in Washington to have full discussions here". He stated that the United Kingdom was firmly behind the policy of trade liberalization and that it is certainly not their intention to break down the European trading system which has been built up with so much difficulty.

5. On the question of the proposed OEEC mission to Washington a number of representatives expressed support of this proposal although the Danish representative felt that little could be expected from such a mission. Ellis-Rees will report to council tomorrow on his talks with Stassen on this subject.

903. DEA/4901-F-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 142 Paris, February 20, 1953

CONFIDENTIAL

COMMONWEALTH APPROACH TO THE UNITED STATES

Reference: Our telegram No. 94 of February 5.†
Repeat London No. 16.

1. Ellis-Rees informed heads of delegations yesterday afternoon that Mr. Eden wishes to initiate discussions in OEEC on the United Kingdom preliminary talks in Washington as soon as possible after his and Mr. Butler's return from the United States in March. He suggested that a Ministerial Council Meeting should be held on the 23 and 24 March for this purpose. Ellis-Rees will discuss a provisional agenda with Mr. Eden next week and this will be considered by heads of delegations soon after.

2. The Ministerial Council Meeting will delay the OEEC mission to Washington which Mr. Draper had suggested might arrive in the third week of March. The Secretary-General now considers the week of the 7 of April a probable date.

904. DEA/4901-F-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 176 Paris, March 5, 1953

CONFIDENTIAL

OEEC MINISTERIAL MEETING, MARCH 23-24, 1953

Reference: Our letter No. 616 of February 26.†

Following for Wilgress from Heeney, Begins: At yesterday's meeting of the OEEC Council, Ellis-Rees confirmed that the following items would be on the agenda for the Ministerial meeting:

(1) Questions arising from Commonwealth Economic Conference; report by United Kingdom Ministers.

(2) Future of EPU; report by Managing Board.

(3) Present position and prospects of liberalization; report by Steering Board.

In addition, the following items might be discussed:

(4) Relations between OEEC and the High Authority.

(5) Approval of establishment of Productivity Agency.

2. Both Mr. Eden and Mr. Butler expect to be present.

3. You will observe that the agenda contains items of considerable importance for us although we would expect the discussion to be preliminary rather than definitive and decisive. In these circumstances, it would not seem necessary for a Canadian Minister to make a special trip to Paris for this meeting and we suppose in any event that absence from Ottawa at that time would be exceptionally difficult if not impossible.

4. In view of the general nature of the agenda, and the steps you have already taken to inform us of Canadian views, I do not think that we need any background briefing. On the other hand, we should be well informed on the reception given by Washington to Messrs. Eden and Butler and the United Kingdom reaction to this reception. For this purpose, I am planning to let Plumptre go to London, if he can be spared from NATO annual review work, for a couple of days between the return of the Eden-Butler mission and the beginning of the OEEC Ministerial meeting. Ends.

905. DEA/4901-F-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM 219 Ottawa, March 7, 1953

CONFIDENTIAL

OEEC MINISTERIAL MEETING, MARCH 23-24

Reference: Your telegram No. 176 of March 5.

Following for Heeney from Wilgress, Begins: I agree that it would be desirable for Plumptre to pay a short visit to London after the return of the Eden-Butler mission. In addition we shall, of course, continue to repeat the messages received from the Embassy concerning the Washington talks and we shall let you have a report on the conversations which Mr. Butler and his officials are expected to have here towards the end of next week. All of this should give you as much background information as possible on this subject.

2. Regarding the agenda for the Ministerial Meeting of the OEEC, I assume that the first item will be the one of principal interest to us. Even with respect to this item, however, I doubt that it will be necessary for you to take an active part in the discussion. Presumably attention will be concentrated on the report by UK Ministers (and possibly US representatives) on the Washington talks. You would probably not be expected to make any formal statement on this topic since, like the Euro-

pean countries, we are not taking part in those talks. There may, of course, be some further disclosures concerning the details of the proposals which emerged from the Commonwealth Economic Conference but even then I should not think that we would be expected to comment on them beyond indicating our general support in terms similar to those which I used in the first meeting of the OEEC after the Commonwealth Conference.

3. My own impression is that the report on the Washington talks will probably be quite general since the present indications are that these discussions will almost inevitably be inconclusive. The willingness of the United Kingdom to enter into a substantial discussion in the OEEC as early as March 23 will depend on the progress made in the Washington consultations and also in the bilateral discussions with the principal European countries up to that date. I can appreciate that the OEEC countries will probably be quite restless by that time and that this may be a very delicate meeting. Some of the European countries may recognize how difficult it is to move very far or very fast in consultations involving the new US administration and some of them may be content to await the outcome of the proposed visit of the OEEC mission to Washington before pressing for a full dress discussion in the OEEC Council. Others, however, may be inclined to urge fuller discussions in the OEEC now than the UK (and probably the US) would be prepared to contemplate.

4. We shall, of course, be sending further messages to you nearer the time of the meeting but we probably cannot provide very detailed guidance for the different kinds of situations which might develop at the meeting. Generally, I would hope that you will do what you can to convince the other delegations informally that they should not try to rush the discussions in the OEEC at a pace which might endanger the whole project. At the same time we should, of course, encourage the UK and US to be as forthcoming as possible in their presentations to the OEEC Council.

906. DEA/4901-F-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 185 Paris, March 9, 1953

CONFIDENTIAL

OEEC MISSION TO WASHINGTON

Repeat London No. 23; Washington No. 3.

1. The OEEC Mission will probably arrive in Washington on April 13 consisting of four Chairmen at official level (Council, Executive, Managing Board, and Steering Board), the Secretary-General, and an Assistant Secretary-General (Cahan).

2. Discussions are now taking place as to what should be discussed. Cahan tells us that Americans in Paris want the OEEC Mission to talk chiefly about European

Plans of action, while Americans in Washington (contacted by telephone) urge concentration on recommendations for United States action. OEEC is inclined to follow advice from Washington. In any case, it would be difficult to talk very much about European plans since time would have been too short since the Ministerial meeting on March 23rd for these to have crystallized in relation to Commonwealth proposals. Unfortunately, as we remarked to Cahan, the degree to which European countries can influence American plans will depend to a considerable extent on the American appraisal of the nature of European plans and also of the determination of the European countries to carry them out.

3. Cahan enquired informally whether we thought that Canada would wish to be present at the meetings in Washington. If so, he suggested that initiative would have to lie with us but he felt sure that the OEEC would find such an arrangement acceptable. Incidentally, he added that arrangements would in any case be made to keep officials in Washington of every OEEC country informed of the course of the talks from day to day and that our officials would be included.

4. We replied that we would communicate the idea to you. However, our first reaction was that, despite Canada's deep interest in the Commonwealth proposals, you would be quite happy to play a background role in Washington. Further if anyone was to "invite" Canada to be present it should be the United States, first because they would be hosts and second because, if we appeared at all, it would be as an actively interested North American country rather than as a member of OEEC. Please let us know if you plan any initiative in this field.[15]

Note: Transmitted to Washington as EX-428 March 10, 1953.

907. DEA/4901-F-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM 235 Ottawa, March 11, 1953

CONFIDENTIAL

OEEC MISSION TO WASHINGTON

Reference: Your message No. 185 of March 9.

We would not expect to play a part in the OEEC Mission's discussions, and consequently we do not propose to take any initiative with respect to participation. We are glad to learn that arrangements are in hand by which we will be fully informed about the progress of these talks.

[15] Note marginale:/Marginal note:
I spoke with Deutsch about the reply. A.E. R[itchie]

908. DEA/4901-F-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 222 Paris, March 18, 1953

CONFIDENTIAL

MANAGING AND STEERING BOARD REPORTS FOR OEEC MINISTERS

Repeat London No. 26.

Copies of the Managing and Steering Board reports C(53)71 and C(53)74 which will be on the agenda of the OEEC Ministerial meeting March 23 were sent to you under transmittal slip No. 735 of March 10† and 825 of March 16.† We have postponed commenting on these reports until they were discussed by the Joint Trade and Payments Committee last Saturday and on Monday and Tuesday of this week.

2. The Steering and Managing Board reports are carefully negotiated documents containing compromise recommendations and, on a number of issues, a presentation of views and a request for guidance from Council. There were occasional attempts to reopen discussion in the JTP Committee on unresolved points in the two reports but these were abortive. The United Kingdom representative continually stressed the desirability of not taking positions on many of these points of substance until after Mr. Eden's statement to Council on March 23.

3. The JTP Committee agreed unreservedly with the two general objectives of the two reports:

(i) To ensure the development of trade liberalization between member countries and associated monetary areas

(ii) To create the necessary conditions for a progressive relaxation of restrictions currently being applied by member countries on dollar imports.

4. The Committee, without rejecting the possibility that other and better systems might be possible following the Ministerial meeting, agreed with the Steering and Managing Boards recommendations that EPU should be prolonged and made its own recommendation that the period should be for one year from June 30, 1953. The majority felt there should be no additional withdrawal clause but the United Kingdom maintained its reserve on this point.

5. There was also unanimous agreement that if the union were prolonged, the "rallonges" or extensions to creditor quotas should be continued but renegotiated on an equitable basis for all creditors. There was no agreement on the percentage of gold payments and it was generally agreed that this would be a matter for bargaining at ministerial level following further consideration by the Managing Board after the March 23 meeting. There was unanimous agreement that the Managing Board should establish a close relationship with the Fund and should discuss the possibili-

ties of arranging IMF financing of temporary EPU country deficits (see Paras. 56-69 of C(53)71).

6. On the subject of the immediate action required to offset the current trade crisis in EPU (see letter No. 583 of February 23†), the JTP Committee was able to make only a weak and delicately balanced recommendation. It felt that multilateral action was required. However, the creditor countries resisted any unduly strong recommendations that they should increase liberalization and made several statements suggesting that France in particular should set her own house in order instead of expecting countries with a high percentage of liberalization and stable internal economies to accept the main burden of re-establishing EPU equilibrium. The draft report contains only very modified references to France suggesting that she should take "all necessary measures to assure progressive liberalization of her imports". In response to a letter from the Chairman of the Steering Board requesting increased liberalization (our letter No. 583), the United Kingdom has undertaken a special study of possibilities for increased liberalization and will make an announcement of its intentions at the ministerial meeting.

909. DEA/4901-F-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM 262 Ottawa, March 19, 1953

SECRET

OEEC MINISTERIAL MEETING ON MARCH 23-24

Reference: Our telegram No. 219 of March 7.
Repeat London No. 429; Washington EX-487.

During his visit to Ottawa Mr. Butler gave some indication of the line which he expects the UK representatives to take regarding the first item on the agenda for the OEEC Council meeting.[16] He warned that adoption of this line was dependent on the agreement of the Foreign Office which he hoped to secure on his return to London. He undertook to inform us of any changes before the meeting. The following is an outline of the tentative views expressed by Mr. Butler.

2. The report which the United Kingdom spokesmen will give to the Council on the Washington talks will probably be of a rather general character, although they may be willing to comment on certain specific points (e.g. convertibility support funds, European sterling balances, etc.) if that should prove necessary in order to allay the fears or suspicions of the European countries regarding their intentions. They will refer to the communiqué on the Washington talks which indicates that

[16] La visite de Butler eut lieu du 12 au 14 mars 1953.
Butler's visit took place March 12-14, 1953.

the examination and review initiated by those talks does not relate to any fixed plan but includes "possible alternative suggestions" as well as the "suggestions resulting from the Commonwealth Economic Conference". Accordingly, they will discourage any tendency to go into the details of the original Commonwealth proposals and will urge the OEEC and the member countries to consider instead the part which they should play in facilitating "progress towards a better balanced and growing world trade and towards the restoration of a multilateral system of trade and payments". They will emphasize the importance which they attach to the acceptance or reaffirmation of these objectives by the United States during the Washington talks and they will suggest that it is now up to the OEEC countries to show that they too adhere to these objectives which have been so often declared to be the purposes underlying the OEEC and the EPU.

3. The UK representatives may indicate their readiness to see the EPU continued on something like the existing basis for a limited period (probably with special provisions for currencies which might become convertible) but they will make it clear that they are not prepared to accept the indefinite continuation of the EPU in its present restrictive form. They will press the OEEC to consider intensively the adjustments needed in national policies and the adaptations required in the EPU to promote the general objectives and to meet a situation in which one or more of the important European currencies had been made convertible. By the time of the OEEC Council meeting it may be possible for the United Kingdom to announce certain modifications in its policies towards European imports which might go some way to satisfy the French, Italians and others concerning the immediate future.

4. Generally Mr. Butler indicated that he thought the aims of the United Kingdom at the OEEC Council meeting would be:

(a) to secure the agreement of the European countries to the objectives set forth in the Washington communiqué;

(b) to enlist their help in developing constructive ideas which would promote these objectives, and

(c) to keep up the momentum which has been given by the Commonwealth Conference and by the Washington talks to the re-examination of commercial and financial policies.

5. Mr. Butler expressed the hope that the UK Delegation could count on Canadian support in attempting to influence the OEEC discussions along these lines.

6. The general view here is that the course proposed by Mr. Butler is reasonable and is likely to be more productive than an extensive enquiry into what happened in Washington or at the preceding Commonwealth Conference. Mr. Butler has been told that we share his views regarding the manner in which the discussions in the OEEC should proceed. Accordingly, you should give such support as you can to any efforts of the United Kingdom, and possibly the United States, Delegations to encourage the Council discussions to take the direction outlined above.

7. We shall, of course, advise you if we learn of any alterations in the United Kingdom position before the Council meeting.

910. DEA/4901-F-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 243 Paris, March 25, 1953

CONFIDENTIAL

OEEC MINISTERIAL MEETING MARCH 23-24

Reference: Our telegram No. 244 of March 25.
Repeat London No. 29.

Present position of trade liberalization

The Minister's discussions on the liberalization crisis (see our letter No. 538†) were sweetened considerably by Mr. Butler's Monday announcement that United Kingdom liberalization was being increased from 44 percent to 58 percent of imports on private account (21 to 65 percent in manufactured goods sector). He also announced that global quotas and items of special interest to France and Italy were to be increased in the second half of 1953. The liberalized items include some of considerable importance: textile yarns and piece goods, carpets, cheese, olive oil, peaches, etc. In addition the tourist allowance is increased from £25 to £40. Although it is difficult to estimate the payments effect of these changes, a figure of something under $10 million monthly has been mentioned. Mr. Butler emphasized that the measures taken involved a great sacrifice for the United Kingdom. It was quite wrong to assume that the United Kingdom difficulties were over, and it was essential that their cumulative deficit be removed over a reasonable period of time. However, the United Kingdom had made a special effort in view of the risk of the unravelling of European trade relationships and a return to bilateralism and also as an indication of the United Kingdom's firm support of European trade liberalization. He hoped that the United Kingdom initiative would be part of a joint effort to maintain the impetus of trade liberalization.

2. Mr. Blucher, followed Mr. Butler with an announcement of an increase in German liberalization from 84.4 percent to 90 percent involving both agricultural and industrial items. Also, tourist allowance will be increased from 500 to 800 marks.

3. These announcements were, of course, very well received particularly by France and Italy. Mr. Buron the French representative had a prepared statement announcing further import reductions. These were not announced, however, pending a re-examination of the French position in the light of the United Kingdom and German reliberalization. Mr. Hammarskjold mentioned the unfortunate tendency to increase discrimination if short-term EPU disequilibria were adjusted in this way. He felt that the burdens of adjustment were being shifted unduly to creditors. Normally, debtor countries should take remedial measures to solve their own positions.

4. The Ministers passed a resolution urging still further liberalization particularly by creditor countries. Tasca told us privately that they intend to urge the Netherlands and Belgium to increase their liberalization.

911. DEA/4901-F-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 244 Paris, March 25, 1953

CONFIDENTIAL

OEEC MINISTERIAL MEETING MARCH 23-24

Reference: Our immediately preceding telegram.
Repeat London No. 30.

1. Following is the text of statement made by Mr. Heeney at the morning meeting on March 24 on the general debate initiated by Mr. Eden and Mr. Butler, Text begins:

Mr. Chairman,

I am glad of an opportunity to make a few observations in the course of this interesting and important discussion. One of the goals of this organization, under its convention is the achievement "of a round and balanced multilateral trading system". If the OEEC had been entirely, or even largely, an inward-looking and narrowly European organization, I do not think that any Canadian would be in this room today. Happily we are all agreed that isolation, economic and political, is as bad for Western Europe as it is for North America. As you, Sir, so aptly pointed out: there is plenty of scope for regional co-operation — but it must be regional co-operation in a "One World" system.

Thus we warmly welcome the initiative which the Government of the United Kingdom has been taking — first in London, more recently in Washington, and now in Paris — to "bring about economic expansion and consolidate the Free World". Post-war experience in the fields of international trade and payments has been disappointing. The goals of free multilateral trade and convertibility, which we all accepted when joining new international institutions several years ago, are still far off. The Free World is still divided into currency blocs and trade blocs. Every year or two some major crisis seems to develop, liberalization arrangements have to be withdrawn, and one form of trade barrier replaces another. These barriers prevent us, individually and collectively, from developing our economic strength; and constant uncertainties in the whole situation make matters even worse.

Yesterday the representatives of the United Kingdom put before us a parcel of ideas about how to broaden our economies and strengthen the relationships be-

tween us. On that subject, there is really nothing that I can say that Mr. Eden and Mr. Butler have not already said quite clearly; but it might be helpful if I added, from the Canadian point of view, a word or two of affirmation.

To begin with, those of us who have worked over this parcel of ideas in the meetings of the Commonwealth countries, believe that the parcel is a good one. The general objectives, of broader economic freedom and solidarity, must, we believe, be accepted by all of us. As for the ways and means of achieving these objectives, we believe the parcel to contain a good mixture of good ingredients. That is not to say that further examination may not well lead to improvements. Here in Paris we must now undertake an intensive examination of the ideas put before us, with particular reference, as Mr. Butler has suggested, to trade and payments in Europe and to the problems of progress towards convertibility and non-discrimination. What we have already done in OEEC, and particularly our work in recent months on the fourth report, has laid a firm foundation for the task that lies ahead. Indeed that report might almost have been written as an introduction to the proposals put before us yesterday.

It might be suggested that the "Commonwealth Plan", about which there has been so much speculation in the press, turns out to be neither very precise nor very novel. However, on reflection, I am sure everyone will agree that the time has not yet come to be very precise; it would have been both fruitless and foolish to seek precision before full and mature discussions, both here and elsewhere. As for the suggestion that the parcel of ideas is not very novel, it is true that, individually, every one of the ideas has been considered and discussed in many quarters; it is a good omen that so many of them received favourable comment in our own fourth report. However, the significance of the parcel lies, I think not so much in the individual ideas that make it up but rather in the parcel taken as a whole, in what is left out as well as what is taken in, and, above all, in the initiative and the determination to press forward along these lines, or similar ones, towards the broad objectives of greater freedom of trade and payments.

If we are to move forward together we must do so in an orderly and considered fashion; if we try to run too fast we may stumble. Nevertheless, as we have agreed in our fourth report, we cannot afford to stand still. The climate for economic innovation today may not seem ideal; but there is no certainty that tomorrow the weather will be better. Mr. Chairman, you and your colleague the Chancellor of the Exchequer have put before us the views developed at the Commonwealth meeting before Christmas. You will recall Canadian participation at that meeting — and I know you appreciate the depth and sincerity of Canadian concern in these matters. The proceedings of yesterday morning round this table have given us all in OEEC a fresh impetus. It is now up to us all to maintain the momentum.

In conclusion I would like to quote a few sentences from the budget speech given last month by our Minister of Finance, Mr. Abbott. He spoke in part as follows:

"It is clear that the time has come for new initiatives.

"The Commonwealth Economic Conference which was held in London in December made a significant beginning. The conference decided 'that a more positive

policy can now be adopted, both by the Commonwealth countries themselves and in concert with other friendly countries, to promote expansion of world production and trade'. The Commonwealth countries stated that it is their aim 'to secure international agreement on the adoption of policies by creditor and debtor countries which will restore balance in the world economy on the lines of *trade not aid* and will by progressive stages and within reasonable time, create an effective multilateral trade and payments system covering the widest possible area'."

If this beginning is to lead to concrete results, there must be close and continuing cooperation between the important trading nations . . . I need hardly add that we are prepared to play our full part in any common efforts which are designed to achieve a prosperous and expanding world trade.

912. DEA/4901-F-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 250 Paris, March 27, 1953

CONFIDENTIAL

OEEC MINISTERIAL MEETING MARCH 23-24

Reference: Our telegram No. 222 of March 18.
Repeat London No. 33.

Two sets of problems were considered by the Ministerial Council: the long term problems of convertibility and multilateral trade brought into focus by the Eden/Butler statements on the Commonwealth proposals and the short term problems of EPU extension and the European trade crisis. In addition Council took a decision setting up the European productivity agency.

The Eden/Butler Statements

2. Mr. Eden's introductory statement† (sent by airbag today) emphasized that the momentum of post-war recovery had been lost, that there was danger of stagnation and that present policies did not hold the solution to the free world's economic problems. He continued "in our judgement the only course is collective action by the United States, the Commonwealth and Western Europe. And the objects of that action are — to create the positive conditions for freer trade currencies over as much of the world as possible — and to provide the framework for expanding production and trade".

3. You will have received from London by telegram the text of Mr. Butler's statement setting out a framework of five points on which the Commonwealth and (he hoped) the OEEC would base plans for a return to convertibility and an extension of the multilateral trading area. These five points were picked up in the preamble to the decision quoted in paragraph 8 of this telegram. Butler stressed the fact that his

proposals were not a plan but a framework within which OEEC might pursue its work. He was inviting discussion on a set of ideas rather than proposing a plan for negotiation.

4. The European ministers, as far as we know, had no advance indication of the content of Mr. Butler's proposals but were obliged to comment on them after an interval of 24 hours. On the other hand the Butler proposals as the Chancellor himself declared, contain nothing new — all his ideas are to be found in the OEEC Fourth Report and the main features have been widely discussed. Accordingly the European ministers' statements (many of which had apparently been largely prepared in advance) contained many restatements of well-known country positions and on the whole responded very cautiously to what Mr. Eden called "a great opportunity for statesmanship".

5. All the European reactions indicated general approval of the United Kingdom initiative and of the objectives of convertibility and extended multilateralism. However, considerable doubt was expressed whether significant advances toward these objectives should be contemplated in the near future. There was a feeling that the United Kingdom was underestimating the size of the dollar gap and there was an undercurrent of apprehension lest the "courageous action" proposed by Mr. Butler might in practice be feasible only at the expense of European trade. Mr. Butler did his utmost to allay these fears and indeed his announcement on Monday of substantial United Kingdom reliberalization reassured the Europeans regarding present intentions.

6. Several ministers stressed the importance of securing adequate reserves before launching even limited convertibility. Mr. Brofoss in particular felt that countries that might make their currencies convertible must be certain of the success of their policies. Premature convertibility ending in failure could have widespread consequences for both convertible and non-convertible currencies.

7. Some concern was expressed regarding the future of OEEC which many ministers consider a successful and efficient organization for dealing with trade and payments problems. A shift of focus to international organizations which have had unsuccessful postwar records seemed a doubtful expedient. Some speakers gave the impression that they would prefer to have OEEC take the main initiative in presenting concrete proposals to the United States administration later in the year.

8. Several ministers, after voicing their fears, nevertheless emphasized that their remarks should not be interpreted as indicating their disapproval of the objectives of the proposals, and there was no question of the general willingness to undertake a study of the proposals. A decision was taken of which the following are the paragraphs of substance. You will notice that Butler's five points are picked up in the preamble:

"Being agreed that cooperation among member and associated countries and the other countries of the British Commonwealth of Nations, would be required in order to create conditions for the establishment of freer trade and payments over as wide an area of the world as possible, and to provide the framework for expanding production and trade while preserving the advantages of the existing system of trade and payments;

Considering that such cooperation can be successful only if sound internal and development policies are adopted by all the countries concerned;

Considering that such policies should be consistent with the maintenance of a high level of production and employment;

Considering that progress towards the convertibility of currencies must be closely concerted with progress towards the reduction of restrictions on trade;

Considering that both creditor and debtor countries have a part to play in achieving a balanced trading pattern between the dollar area and the rest of the world;

Considering that action to eliminate their dollar deficit must be one of the principal aims of member countries;

Considering that means would have to be found to deal with the problem of inadequate monetary reserves of the non-dollar countries;

Considering that for the attainment of these ends there should be the closest collaboration with existing world-wide international "institutions";

In the light of the statements made by various delegates during the course of the meeting;

Welcomes the initiative taken by the United Kingdom Government in presenting their views on these matters for consideration in the organization;

Instructs the Executive Committee to make proposals to the Council regarding the procedure to be followed in order to study how and under what conditions an orderly transition from the present form of the union to a wider multilateral system of trade, payments and credit can be achieved."

Mr. Draper's remarks on Mr. Butler's statement were confirmatory but non-committal. At the instigation of Bissell and Southard[17] who attended the meetings, Mr. Draper asked that "collective action by member countries" in the draft text of the first paragraph quoted above be changed to "cooperation among". They would also have preferred omitting Mr. Butler's five points as they felt that these prejudged the OEEC study. However, all the other delegations preferred to keep them in since there was a feeling that they marked a step forward and would give direction to the OEEC studies.

9. *Future of EPU*

There was no separate discussion on this item. Mr. Butler's agreement to continue the union for a period of twelve months substantially in its present form was warmly welcomed by European ministers. Instead of the withdrawal clause on which the United Kingdom delegation has been insisting since December Mr. Butler proposed a renegotiation clause by which any contracting party could ask for a reexamination of its obligations in the union if in the opinion of that contracting party this is necessary to enable progress to be made toward a system of freer trade and payments, including convertibility of currencies.

---

[17] Richard M. Bissell, consultant auprès du directeur de la Mutual Security des États-Unis.
Frank A. Southard, Jr., assistant spécial du secrétaire au Trésor des États-Unis.
Richard M. Bissell, consultant to Director for Mutual Security of United States.
Frank A. Southard, Jr., Special Assistant to Secretary of Treasury of United States.

10. Several ministers in their general remarks restated their country positions on quotas and gold ratios but these questions were left for negotiation in the Managing Board. Council took the decision to extend the union until June 30, 1954, and instructed the Managing Board

1. To submit proposals for extension by May 31.

2. To examine with representatives of IMF the possibilities of closer cooperation between that body and EPU on matters of mutual concern and make proposals to Council.

3. To examine with other organs of the organization ways and means of encouraging the further development of public and private international capital movements.

11. We shall be reporting in greater detail on this subject after the Managing Board meetings this week.

913. DEA/4901-F-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 493 Paris, June 19, 1953

CONFIDENTIAL

LIBERALIZATION OF TRADE AND PAYMENTS AND THE "COLLECTIVE APPROACH" — PROGRAMME OF WORK FOR OEEC

1. The Secretariat has prepared three basic papers and preliminary discussion took place in the Executive Committee on June 16. We made one of our rare interventions.

2. The three papers, which are on their way to you or have already arrived, may be very briefly summarized as follows:

(a) "Convertibility: the Problems of the Transition Period", CE(53)32, sent by airbag on May 30, under transmittal slip 1715.† This paper contains two main points. First, individual countries should choose their own time to go convertible (the strong need not wait for the weak), and in doing so should have the assistance and support of OEEC. Second, in the transitional period when some currencies have become convertible, there will be a continuing need for some system of European payments and the Managing Board of the EPU should be asked to study what form it should take and whether the convertible currencies can be associated with it.

(b) "Studies Related to Problems of Convertibility", CE(53)38, sent by airbag on June 17, under transmittal slip 1935.† This paper summarizes work that can be done in fields other than trade and payments. It mentions internal financial stability,

expansion of production, changed pattern of trade, stimulation of exports to dollar areas and investment of dollar capital overseas.

(c) "Future of the Liberalization of Trade", CE(53)37, 6 copies sent by mistake by seabag on 12 June and 1 copy (since supply is exhausted) by airbag June 18 under transmittal slip No. 1951.† This paper breaks new ground in suggesting that the time has come when all European countries should raise their liberalization percentages to 100 with the exception, "at this stage", of certain agricultural products and motorcars. It is suggested that if all moved forward together (even including France) complete liberalization in the near future should not prove impractical and that immediate study should be given to the subject.

2. Much of the discussion in the Executive Committee related to procedure within the organization for dealing with the topics raised. However, there was quite a lot of discussion of the new liberalization proposals. We were the only delegation to comment at any length on the convertibility proposals but this may partly be explained by the fact that the subject has been discussed on previous occasions, notably in the ministerial meetings, and at the council meeting when the OEEC mission to Washington reported on its visit. All the representatives welcomed the new suggestions regarding liberalization but a number suggested that they were rather optimistic. Several emphasized that, if progress was to be made, all must move forward together. One or two regretted that substantial exceptions to further liberalization had to be made in the field of agriculture.

3. We began our remarks by welcoming the initiative which the three papers represented. We expressed the opinion that with one possible exception and with certain modification of emphasis they put forward a well-rounded programme of work. We then passed to the individual papers:

(a) We suggested that the paper on the transition period was a bit too cautious in suggesting (para 4) that nothing should be done in pursuit of convertibility which would conflict with other aims of the OEEC and again (paras 9 and 11) that none of the advantages of present trade and payments arrangements in Europe should be sacrificed. We noted that the paper assumed, without much argument, that a continuing system of European payments would be needed throughout the transition period and, while not wishing to challenge this as a possible conclusion, we hoped that work in this field would probe the basic needs and purposes of such a system. We wondered whether EPU, an interested party, was the right body to carry forward studies in this field. We went on to warn (in relation to para 8) that while there might be a danger of a shortage of international credits in the transition period, it would also be dangerous to convertibility if such credits were too easy to obtain. In concluding, we agreed that countries should choose their own time for going convertible and welcomed the indication that they would have the support of the organization in doing so.

(b) On the paper relating to supplementary studies, we made a few remarks. It seemed to us that the paper (in para 2) was a bit too complacent about the internal financial stability already achieved in Europe; constant vigilance was needed in this field. We noted that, while it was desirable for European countries to foster dollar-savings industries, this should not be done at costs so high as to impair efficiency

and competitive positions. (We had intended to make some remarks about the derogatory references to United States policy in para 7 but the Secretary-General had withdrawn these references at the beginning of the meeting). Finally, we expressed the hope that follow-up work in this field would be conducted by the Executive Committee (where Canada was represented) rather than in some ad hoc body.

(c) As for the paper on 100 percent liberalization, we welcomed the strong optimistic initiative which the Secretariat had taken; however, we went on to suggest that liberalization should not be confined to intra-European arrangements; it was not too early to give thought to the problems raised by restrictions against dollar imports. We were not so naive as to think that the time had come when Europe could throw the doors open to dollar goods, but we raised the question whether existing systems of dollar import licencing and control were designed to promote the strengthening of European economies and would lead towards convertibility and freer trade. We suggested a qualitative review of such restrictions to ensure that European importers were in fact able to buy the right dollar goods to best advantage and in general to ensure that Europe was making the best use of whatever dollars were available.

4. We got a bit of rather general support from the United Kingdom representative (Ellis-Rees) with whom we had gone over the ground beforehand. He had been a little apprehensive of our proposed remarks relating to the first paper; it was a compromise document and he greatly treasured its emphasis on the point that the strong countries should be able to adopt convertibility without waiting for the weak. The United States representative (W.L. Batt) also said a few words in support of our position. He particularly referred to our proposals for review of dollar import restrictions. We learned afterwards from another member of the United States delegation that they, like ourselves, had considered the omission of any reference to dollar import restrictions as a serious gap in the programme of work laid down in the Secretariat papers.

5. The Secretary-General (Marjolin), in summing up the discussion, referred to our proposals for a review of dollar import restrictions. He claimed that the organization was not overlooking this matter. He said that a study was being undertaken by the Managing Board. Further the International Monetary Fund was studying dollar import restrictions; the OEEC would not wish to duplicate the work in the Fund but would pick up where the Fund left off. Neither we nor our American colleagues find his defence very convincing. It is true that the Ministerial Council of March 24 — Document C(53)90 — gave the following instruction:

"The Managing Board of the European Payments Union and the Steering Board for Trade are instructed to study the conditions likely to facilitate the progressive liberalization of dollar imports in member countries, in cooperation with the United States and Canada". However, neither of the two boards has yet taken any action. Nor does the instruction seem to envisage the particular type of review which we had proposed. As for the Fund, the Secretary-General's reference was apparently to the review of import restrictions under Article 14 and it is not at all clear to us that this review would be likely to serve the sort of purpose we had in mind. We would appreciate advice on this point.

6. One of the most significant points in the Secretariat papers is the assumption that throughout the transition period there will be need for some sort of special machinery for European payments; the only question at issue is how far it should and could resemble the present EPU and how far convertible currencies can be associated with it. We would judge that this is a point on which there is complete unanimity within the OEEC, including the United States if not ourselves. Whatever our basic convictions, there is no point in our opposing such machinery. The United Kingdom delegation here is fully behind it. Indeed, Ellis-Rees told us privately that, while "it might sound like heresy to Canadians", he was personally convinced that some sort of regional arrangements would have to continue beyond the transition period because it would never be possible to get effective discussion in a Fund-GATT body representing fifty to sixty countries.

7. There will be continuing discussion over a considerable period regarding the form, if not the fact, of continuing European payments mechanisms and of the other questions raised in the Secretariat papers. We should be told immediately if you are not in full agreement with the line which we have taken. Moreover, any continuing guidance you can give us over the whole field will be very welcome.

914. DEA/4901-F-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 521 Paris, June 25, 1953

CONFIDENTIAL

LIBERALIZATION OF TRADE AND PAYMENTS AND THE "COLLECTIVE APPROACH" — PROGRAMME OF WORK FOR OEEC

Reference: Our telegram No. 493 of June 19.

Discussion of the Secretariat papers described in our telegram under reference has now moved forward in the Council on June 24 and again in the Executive Committee on June 25. No new point of substance has emerged.

2. Before the Executive Meeting we talked over with the Secretariat the omission of any reference to imports from dollar areas (para 3(c) of telegram under reference). We proposed that the following short para might be inserted under para 7 in document CE(53)38 (first revision) of June 17.

"Imports from dollar areas, as well as exports to those areas, have a bearing on convertibility". The Council at ministerial level, in document C(53)90 of March 24, 1953, has already directed the Managing Board and the Steering Board, in co-operation with the United States and Canada, "to study the conditions likely to facilitate the progressive liberalization of dollar imports. Other studies in this field may prove, in due course, to be desirable". The Secretariat accepted our proposal and

put it, on their own initiative before the Executive Committee which in turn accepted it without change. This means that imports from dollar areas now become one of the subjects which are recognized as related to convertibility and which will be kept under review by the Executive Committee. This Committee has now been charged with the general work of co-ordination in the whole field.

3. The revised version of CE(53)38 differs from the original only at two points. In the first place the references to French conditions are strengthened. In the second place the derogatory references to United States policy have been removed.

915. DEA/4901-Q-40

Le sous-secrétaire d'État aux Affaires extérieures
à la délégation permanente auprès du Conseil de l'Atlantique Nord

Under-Secretary of State for External Affairs
to Permanent Delegation to North Atlantic Council

LETTER NO. E-415 Ottawa, July 24, 1953

LIBERALIZATION OF TRADE AND PAYMENTS AND THE COLLECTIVE APPROACH — PROGRAMME OF WORK FOR OEEC

Reference: Your Telegram No. 493 of June 19, 1953.

Your above referenced message has been discussed interdepartmentally. As indicated in our message No. 548 of June 19† your intervention in the discussion of these subjects in the Executive Committee was most useful and to the point. We agree that the three papers provide a useful programme of studies to be pursued by OEEC in preparation for a return to convertibility by the United Kingdom and other European countries; but we share your misgivings with respect to certain assumptions made by the Secretariat in the three papers mentioned. The observations made below represent our first reactions to your report of the discussion at the Executive meeting and constitute little more than a set of questions which you may wish to raise at the appropriate time, probably in private discussion with the Secretariat and with the principal delegations. You are the best judge of their suitability, if any, for use in more public discussion.

2. While recognizing that the most important tasks facing governments during and after convertibility relate to the establishment of the proper internal and external conditions, these observations are concerned with the rather interesting question as to the kind of trade and payments arrangements envisaged for the transition period. We note that the OEEC papers assume without much argument, as you say, that a continuing system of European payments of some kind will be needed. While agreeing that it would be rash to challenge the need for such arrangements, we agree that it would be interesting to discover in more specific terms the basic needs and purposes of such a system. We think we can see some desirability for a minor-league EPU to make provision for a multilateral system of settlements for those countries which are unable for the time being to go convertible (the problem is "solved" for the convertible countries, which will belong henceforth, of course, to the dollar area, so to speak) so as to avoid a return to bilateralism in their trade

arrangements with the convertible currencies and with their inconvertible partners. We are less certain about the necessity of, or the possibility for, the maintenance of anything resembling the existing credit facilities. Indeed, one wonders what kind of arrangement is contemplated in the new circumstances, bearing in mind that the existing system of EPU credits can hardly fail to be curtailed or abandoned when the present group of persistent creditors, plus the United Kingdom, go convertible.

3. In other words, we think you are right in questioning whether it will be possible for the EPU countries to avoid losing some of the "advantages of present trade and payments arrangements" in the transition period. Whether countries that go convertible remain within the EPU or not, we take it that after the adoption of convertibility such countries will be unwilling to make credit available on the present scale to the debtor members of EPU through the EPU mechanism or in other ways. In short, since the countries likely to go convertible are those which are currently creditor countries we assume that the debtor countries will no longer be able to accumulate deficits with EPU on the former scale. It seems to us, therefore, that from the point of view of those countries which are usually debtors to the EPU, this development is bound to be somewhat "disadvantageous", and properly so.

4. We were slightly surprised at the suggestion from Ellis-Rees (your paragraph 6) that some sort of regional arrangement along the lines of the present EPU for the transition period is contemplated by him. The difficulty is that we are unable to visualize a situation in which the countries deciding to go convertible, when the time comes, can remain in the EPU since the essence of the system is the arrangement for the extension of credits, through EPU, to the debtor members. We take it that of all countries the United Kingdom in particular — as the only country operating an international currency — could hardly settle its accounts through EPU. Were it to do so, other European countries would convert their claims on the United Kingdom into dollars outside the Union, while the United Kingdom itself would be paid for the exports to other EPU countries ultimately in the form of credit balances with the EPU, at least up to the extent of the quota. The extension of credit on this scale would make the maintenance of convertibility impossible and it was for this reason, presumably, that the United Kingdom has always maintained to us that convertibility would mean the eventual withdrawal from EPU.

5. We are wondering if Ellis-Rees has in mind new arrangements involving just sufficient extension of credit to take care of accidental or seasonal swings or other minor credit arrangements designed to prevent the inconvertible countries from resorting to bilateral trading arrangements during the transition period. It is possible that the withdrawal of the United Kingdom and others from EPU might be accompanied by provision for some kind of credit assistance to the surviving members of EPU by those countries which have persistently run credits with EPU, to the extent that their overall balances permit. While this might lessen the shock of withdrawal we are unable to see that such arrangements could operate automatically as they do at present, or operate on the present scale. It is also conceivable that such countries as Belgium and Germany, which are more heavily integrated by trade with their EPU partners, might wish to make available credit in the transition period which could not be offered by the United Kingdom.

6. We can appreciate the point that a continuation of intra-European co-operation on trade and payments arrangements will be needed after some European countries have adopted convertibility. Convertibility, we hope, will be accompanied by the removal of quantitative import restrictions against dollar goods which may well give rise to difficulties in European countries. By the same token, it is possible that, with sterling as hard as the dollar, European countries may create trade problems for the United Kingdom. The need to prevent the adoption of additional quantitative restrictions, which would deprive convertibility of all its attractiveness and, indeed, the need for an advance towards freer trade with the dollar area, suggests the desirability of continued discussion of these problems among the newly convertible countries and in the wider OEEC context. It is possible that Ellis-Rees had this set of considerations in mind when suggesting some form of continuing organization. It may be that effective discussion of such proposals is more feasible within the OEEC-EPU than in a Fund-GATT body. On this we can only comment that the discussions in London envisaged a small Fund-GATT group (a nuclear group)[18] that would be representative of all the countries and groups concerned.

7. As to the proposals put forward by the Secretariat for the extension of liberalization in intra-European trade up to 100 per cent, we agree with your paragraph 3(c) that it is not too early to begin giving thought to a lifting of some of the present restrictions against dollar imports wherever possible. While it is for the European countries themselves to decide whether they are making the best disposition of their dollar resources, our feeling is that the removal of restrictions might usefully commence along the lines now being followed by the United Kingdom itself. This involves the granting of more open general licenses for the importation of foodstuffs and the raw materials of industry. The argument would be the familiar one that it is unwise to foster dollar-saving forms of production, or dollar-saving imports from the rest of the area, where such measures raise costs unduly and perpetuate the inability of the European countries to make their exports of manufactures more competitive with the dollar area.

8. In this connection we should perhaps put you on guard, in case the question is raised, against proposals for the liberalization of dollar trade in accordance with a common formula. We have in mind the suggestion, which we believe has been put forward in Washington, which would have all (convertible) countries move forward at the same pace on the basis of a common list of items suitable for liberalization. As to the question of the timing of convertibility itself, we feel that it is in the general interest, not to speak of our own, that each country should move ahead as fast as its own circumstances permit and should not be held back to the pace of the slowest member of the group.

9. As you will see, these comments do not pretend to suggest specific solutions to the payments problems likely to arise after the adoption of convertibility by the United Kingdom and, possibly, other European countries. We find it easier at this moment to be critical of some of the assumptions made in the Secretariat papers. We recognize that it will call for considerable ingenuity to maintain useful working

[18] Voir le document 897 note 11./See Document 897*n*. 11.

arrangements between the present EPU members at a time when the more important of them will have dropped their full membership in the club. We should be interested to hear more of the proposals put forward to promote the continuance of such collaboration as and when you hear of them.

A.E. RITCHIE
for Under-Secretary of State
for External Affairs

916. DEA/4901-F-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au sous-secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Under-Secretary of State for External Affairs

LETTER NO. 2547 Paris, August 5, 1953

CONFIDENTIAL

OEEC CONSIDERATION OF DOLLAR RESTRICTIONS

Reference: Our telegram No. 521 of June 25; doc. C(53)90†; doc. MBC(53)102 of July 17†.

The OEEC Council, at its last Ministerial Meeting in March, instructed the Managing Board and the Steering Board, inter alia, "to study the conditions likely to facilitate the progressive liberalization of dollar imports in member countries, in cooperation with the United States and Canada".

2. The first step taken by the Managing Board in carrying out these terms of reference was to instruct the Secretariat to assemble available factual data concerning the present system of dollar imports in member countries. We have managed to secure one copy of this study (MBC(53)102) which has recently been completed and are forwarding it to you with this letter. This document has not been considered by the Board and consequently has no status within the Organization. The Secretariat would welcome any comments you may wish to offer on their memorandum although, as it is merely a factual summary, it is doubtful whether it will give you much scope for comment.

3. We understand from conversations with the Secretariat that the Managing Board now considers that work in this field should be taken over by the Steering Board. If EPU had been hardened during 1953-54, there would have been more scope for a Managing Board study but now it appears more likely that the Steering Board will pick it up. Up to now, the Steering Board has not considered the question.

4. In our opinion, this study should not be allowed to lag. We have already questioned the Secretary-General in the Executive Committee concerning the work of the two Boards in connection with the relaxation of dollar restrictions (our tel. No. 521) and we intend to raise the matter again at an appropriate time. In addition,

we have indicated our willingness to cooperate in the work of the two Boards when this subject comes up for discussion. So far an invitation to Canada to cooperate has been rather conspicuous by its absence, indeed we have even encountered some stickiness in getting certain documents which while relevant are narrowly circulated — (e.g. MBC(53)28 which we understand is a rather theoretic study of the impact of removal of dollar restrictions on balances of payments). On the other hand, we ourselves, largely preoccupied in other directions, have not taken any particular initiative.

5. However, the time may be coming when we should take some more positive steps — perhaps when the Managing Board discusses MBC(53)102 in September. We would be grateful to have your guidance.[19] You might like to consider two particular possibilities. Would you think that OEEC would be an appropriate forum to put forward and discuss a list of Canadian exports which we would like to see more freely imported into OEEC countries?[20] Or again, would you wish us to try to pursue, with examples, our earlier suggestion in the executive Committee, that OEEC countries might make better use of the dollars they are already earning?[21] We can see some merit in both lines of activity; on the other hand we are not sure about the question of timing in relation to other aspects of the "Collective Approach to Convertibility". Moreover, this delegation has not the personnel to carry on detailed trade discussions, let alone negotiations, and after we had gone a certain way either the negotiations would have to be transferred to national capitals or this delegation would have to be reinforced with experts.[22]

L.D. WILGRESS

[19] Note marginale:/Marginal note:
They should pursue this question vigorously.

[20] Note marginale:/Marginal note:
Not too sure. Raises (1) propriety of asking for *our* commodities; (2) difficulty of deciding which commodities (and therefore which Cdn [Canadian] producers) we wish to single out for special treatment; (3) If commodities are discussed you get away from the question of principle which we have raised.

[21] Note marginale:/Marginal note:
at least this much

[22] Note marginale:/Marginal note:
This relates more to the "other studies" specified in CE(53)38.

917. DEA/4901-F-40

Le sous-secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Under-Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

LETTER NO. E-475 Ottawa, August 21, 1953

CONFIDENTIAL

OEEC CONSIDERATION OF DOLLAR RESTRICTIONS

Reference: Your Letter No. 2547 of August 5th.

As indicated in paragraph 7 of our letter E-415 of July 24th, we agree that it is not too early for Member Countries to begin giving thought to lifting some of the present restrictions against dollar imports. We suggested that the granting of open general licences for the importation of foodstuffs and raw materials would be the most useful measures which Member Countries could take. We can see no objections to your suggesting specific items, for illustrative purposes, when discussions take place on this subject. I shall be writing again to give you guidance with regard to your question whether it would appear appropriate for you to go further and to suggest specific items which we are interested in seeing placed on open general licence.

With regard to the study on "conditions likely to facilitate the progressive liberalization of dollar imports", we certainly hope that it will not lag and that you will have an opportunity to take an effective part in it. If the occasion of the Managing Board's discussion on MBC(53)102 appears to be a useful occasion for you to cooperate in this work, we hope you will be able to do so.

As you indicated in message No. 521 of June 25th that the Executive Committee now is responsible for studies related to imports from dollar areas, I take it that you will have an opportunity to pursue in this forum the particular question of whether existing systems of dollar import licencing and control are appropriate. The record of the 241st meeting of the Executive Committee indicates that the Secretary-General will submit to Council "in due course proposals for the implementation of the suggestions" contained in paragraph 7 of CE(53)38. I take it that the "suggestions" include the "other studies" (i.e. existing systems of dollar import licencing) referred to in your amendment to paragraph 7. Has any progress been made in arranging these studies? If so, would not these discussions be the appropriate place to discuss the question of open general licences for foodstuffs and raw materials?

J.H. WARREN
for Acting Under-Secretary of State
for External Affairs

918. DEA/4901-F-40

Le sous-secrétaire d'État aux Affaires extérieures au représentant permanent auprès du Conseil de l'Atlantique Nord

Under-Secretary of State for External Affairs to Permanent Representative to North Atlantic Council

LETTER NO. E-542 Ottawa, September 21, 1953

CONFIDENTIAL

OEEC CONSIDERATION OF DOLLAR IMPORT RESTRICTIONS

Reference: Our Letter No. E-475, August 21.

We have now consulted the other interested departments on the question of whether it would be appropriate for you to suggest in the course of any discussions on this subject which may take place in the Managing Board or elsewhere in the OEEC specific items which Canada would be interested in seeing placed on open general licence.

2. The general view here is that it would not be desirable at this stage for us to suggest specific commodities. While we are in agreement with the suggestion that you should continue to put forward the view that European countries should consider the liberalization of dollar imports by means of a wider use of open general licences for foodstuffs and raw materials, we feel that it would not be appropriate to put forward a list of Canadian exports which we should like to see imported more freely into OEEC countries. It would seem to us that by suggesting any such list we would diminish the effectiveness of our essential argument that it is in the interests of the European countries themselves to liberalize their import restrictions in this manner, since such suggestions from us might imply that our advocacy was governed by our concern for our exports rather than by any genuine interest in the solution of the problems of the European countries themselves. Moreover, it would be our view that, if and when it becomes appropriate to encourage the inclusion of particular commodities in any liberalization scheme, representations could probably best be made in the national capitals rather than in the OEEC, especially since the situation will differ from one country to another. The best course would seem to be for the OEEC not to attempt to devise a "common import list", but for each country to relax its restrictions as rapidly, and along such lines, as its own circumstances permit. This conclusion would seem to be in accord with your view that detailed trade negotiations can more appropriately be carried out in national capitals than in the OEEC forum.

3. As you are aware, the United Kingdom is the country which during the recent past has gone furthest and shown the greatest enlightenment on the question of liberalizing dollar import restrictions. You will also appreciate that in our talks with the United Kingdom we have been most effective in helping them move towards their present policies when we were not attempting to sell them on any particular list of commodities. We have consistently avoided putting forward such lists to the United Kingdom and have instead emphasized the importance of achieving an ex-

panded area of non-discrimination in their import controls on the basis of commodities which they would choose in their own interests.

4. In the light of the progress which the United Kingdom has made, it occurs to us that it might be useful for the OEEC Secretariat to undertake a thorough study of recent UK liberalization measures with respect to the importation of grain, timber, metals, etc. Such a study might bring out the advantages accruing to the OEEC countries in lowering their costs and reducing administrative overheads as a result of further liberalization of dollar imports, especially of essential foods and raw materials. It might also encourage a recognition of the fact that when domestic policies are kept reasonably well under control further measures of liberalization of dollar imports need not involve excessive financial risks. Whether or not it appears feasible for this kind of study to be undertaken, you will doubtless wish to stress these aspects of the experience of the United Kingdom and other countries which have relaxed their dollar import restrictions.

5. We need hardly say that, in advocating the desirability of more liberal treatment for raw materials and foodstuffs from the dollar area, we would expect that such measures, if adopted, would increase the demand for Canadian products. With this in mind, there would seem to be no need for us to blunt the edge of our advocacy by referring in the OEEC to specific commodities.

6. In addition to these general observations, the following comments have been made on certain portions of the OEEC Document (MBC(53)102):

(a) The authors of the Report apparently hold the view that the recent decline in Europe's dollar imports (nearly 40 per cent from the first quarter of 1952 to the first quarter of 1953) is not due to restrictive controls but to other factors. If they are right in this, then the financial risks involved in a liberalization of dollar import controls are not as great as they are generally claimed to be.

(b) The statement towards the end of paragraph 9 to the effect that it is the premium on dollars in retention quota schemes which results in the high prices of out-of-programme imports financed in this way strikes us as rather curious. Surely it works the other way round — it is the fact that the goods in question are otherwise prohibited imports which causes the small amounts made available through the retention schemes to sell for prices so high that the importer can bid the dollar exchange rate up to a premium. When import restrictions are liberalized the exchange premiums involved in retention quota schemes fall.

(c) Paragraph 7 of the OEEC document notes that "with the exception of Sweden, no country seems to give any publicity to this import programme". It might be useful to raise the question whether some publicity by OEEC countries of their dollar import estimates and allocations would not be desirable. From the point of view of the exporting countries, such advance data would, of course, be of interest, and it might also be helpful in facilitating the study of this problem by the OEEC.

A.E. RITCHIE
for Acting Under-Secretary of State
for External Affairs

919. DEA/4901-F-40

La délégation permanente auprès du Conseil de l'Atlantique Nord au sous-secrétaire d'État aux Affaires extérieures

Permanent Delegation to North Atlantic Council to Under-Secretary of State for External Affairs

LETTER NO. 3151 Paris, October 5, 1953

CONFIDENTIAL

OEEC CONSIDERATION OF DOLLAR IMPORT RESTRICTIONS

Reference: Your E.542 of September 21.

The arrival of your letter under reference was most timely. Just at the same time we heard that the Secretary-General, Mr. Marjolin, was planning to leave later in the week, accompanied by Mr. Cahan, on a series of visits to the capitals of most of the important OEEC countries where they were going to make soundings and suggestions regarding the Ministerial meeting on October 28 and 29. We were anxious that dollar import restrictions should be amongst the subjects discussed during these visits.

2. Accordingly, armed with your new guidance, we called on Messrs. Cahan and Marjolin. We said that we were concerned at the apparent failure of the Steering and Managing Boards to deal with their terms of reference in the field of dollar import restrictions. It was our feeling that European countries could go a bit farther and faster than heretofore in removing such restrictions, particularly those relating to foodstuffs and raw materials. We noted that one or two countries, especially the United Kingdom, had made great progress by the use of open general licences and it had been helped rather than harmed as a result. Other countries might profit by such examples. We suggested that OEEC might undertake a study of what had been done and what might be done.

3. We were very pleased to learn from Mr. Cahan, who had been attending a meeting of the Managing Board earlier in the day, that the Board had been discussing this very matter. He said he believed that the decision of the Board, to be embodied in their report on convertibility to the Ministerial meeting, was closely in line with our wishes. He then read us the following paragraph from the Board's report to which preliminary agreement had just been given:

"In addition, a further attention should also be given to the removal of restrictions on imports from the dollar area. The gradual removal of these restrictions would constitute concrete progress in the direction of removing disparities between the prices of similar goods in different markets, which is the ultimate aim of convertibility. In particular, greater freedom for imports of raw materials, basic foodstuffs, semi-manufactured goods, machinery and equipment, the cost of which enters into the cost of production of finished goods in Europe, would also assist the increase of productivity in European agriculture and industry. It is therefore suggested that all Member countries should be asked to examine the restrictions which they still maintain on imports of such goods from the dollar area, with a view to

removing them insofar as this is compatible with their balance of payments positions. The Board also has noted with satisfaction that considerable progress in the removal of such restrictions has already been made in some countries. When individual Member countries have been able to make such an examination, it is suggested that they should be asked to report to the Organization on the nature of the restrictions on dollar imports which they have felt themselves unable to remove and to give an indication of the reasons for non-removal. The Board hopes that an examination in the Organization of this information might make it possible for the Council at a later date to formulate a coordinated policy for tackling the problems which arise in this respect."

4. Cahan said that the Board had discussed amongst other things, the question whether the elimination of dollar restrictions should be undertaken on a country-by-country basis, with each country moving as fast as it felt it could, or on the basis of a "common list" for all countries. While some of the members of the Board had favoured a common list, others, in particular the Norwegians, had been strongly opposed. In the end, as the above paragraph indicates, it had been agreed that the first attack on the problem should be on a country-by-country basis; Member countries should examine their positions and take action individually, after which they should report their position to the OEEC. Then, "at a later date", consideration would be given in the OEEC to the possibility of further action on a coordinated basis.

5. We had known beforehand that Mr. Cahan himself, and possibly Mr. Marjolin, favoured the common list, fearing that if one OEEC country allowed dollar imports in more freely than its neighbour, one of the two might feel that it had to put up trade barriers to prevent the dollar goods moving forward from the first to the second. During our conversation, Cahan had indeed noted the "mess" into which he felt the Netherlands government had got itself. It was allowing certain types of dollar imports, such as wheat, more freely than its neighbours. Hence, it was now attempting to retain this wheat by means of export restrictions. However, its customs officials were not able to distinguish between a bag of dollar wheat and a bag of OEEC wheat; such a programme was thus proving administratively impracticable.

6. As [to] the further type of restriction to be removed, we know that you will welcome the emphasis laid in the paragraph quoted above on the need for more imports of a type that will reduce costs and promote productivity. This, you will remember, is just the point that we stressed most strongly when we raised this subject in the Executive Committee last June. While your letter under reference refers to restrictions on foodstuffs and raw materials, the Managing Board refers also to semi-manufactured goods, machinery and equipment. Incidentally, Mr. Marjolin and Mr. Cahan share our feelings that continental countries are unduly frightened by the prospect of possible floods of dollar imports — even in the field of finished consumer goods. They remarked that as a matter of fact many North American goods, such as motorcars and refrigerators, are not really well adapted to European needs. There was a heavy demand for them not long ago when dollar goods were readily available and European production was lagging well behind European de-

mand. Now that European production has caught up with demand, the preference is for the local and better adapted product.

7. Looking forward to the Ministerial meeting on October 28-29, we had thought of proposing to add to the agenda a special item for the discussion of dollar import restrictions. However, we decided against doing so. The main business of the meeting will be the discussion of reports by three bodies:

(a) Report by the Special Working Group on the general shape and coverage of the coming Fifth Report;

(b) Report by the Managing Board of the EPU on matters relating to convertibility;

(c) Report by the Steering Board for Trade on progress in the field of European trade liberalization.

Since we are now assured that (b) will contain a satisfactory proposal regarding dollar imports, a separate item on the agenda would seem unnecessary.

8. We are planning to make a statement on dollar restrictions and, if appropriate, on other matters relating to convertibility, at the meeting. We shall, of course, follow the guidance given in your letter under reference and the preceding correspondence. If you have any further suggestions to make, we should be glad to receive them.

9. We had thought of raising, either with Mr. Cahan and Mr. Marjolin, or just possibly in the Ministerial meeting, the question whether, when the Managing Board proceeds with its studies of dollar restrictions in the various countries, we should seek to attend its meetings. We would, of course, have some ground for doing so; when the Ministerial Council directed the Managing Board (and the Steering Board) "to study the conditions likely to facilitate the progressive liberalization of dollar imports in Member countries", it specified that this was to be done "in co-operation with the United States and Canada" (Council resolution C(53)90 of March 25, 1953). On the other hand, attendance at the Managing Board is a jealously guarded prerogative and there seems no point of trying to force ourselves in unless we feel we have a definite role to play, positive or negative. Hence, our present feeling is that we should await further developments and only take the initiative if it really seems worth while. We would appreciate your comments on this point.

L.D. WILGRESS

920. DEA/4901-F-40

La délégation permanente auprès du Conseil de l'Atlantique Nord au sous-secrétaire d'État aux Affaires extérieures

Permanent Delegation to North Atlantic Council to Under-Secretary of State for External Affairs

LETTER NO. 3409 Paris, October 26, 1953

RESTRICTED

OEEC CONSIDERATION OF DOLLAR IMPORT RESTRICTIONS; EC(53)250; C(53)253

Reference: Our letter No. 3151 of October 5.

The three principal reports which will be considered by Ministers on October 29-30 all contain references to policy on Dollar Import Restrictions. The purpose of this letter is to bring together all of these references and finally to sum up the discussion on them in the Joint Trade and Payments and Economic Committees.

1. Report of the Managing Board of EPU (C(53)253, Oct. 13)

In our letter No. 3151 of October 5, we included a preliminary text of the paragraph on dollar import restrictions which was to form part of the Managing Board's report. The final draft has been altered slightly; the most important change being the elimination of the recommendation that member countries should, in their reports on dollar restrictions which they have felt themselves unable to remove, give an indication of the reasons for non-removal. The final text (para. 12) reads as follows:

In addition, further attention should be given to removing restrictions on imports from the dollar area. The gradual removal of these restrictions would constitute concrete progress in the direction of removing disparities between the prices of similar goods in different markets, which is the ultimate aim of convertibility. In particular, greater freedom for imports of raw materials, basic foodstuffs, semi-manufactured goods, machinery and equipment, the cost of which enters into the cost of production of finished goods in Europe would also assist the increase of productivity in European agriculture and industry. It is therefore suggested that all Member countries should be asked to examine the restrictions which they still maintain on imports of such goods from the dollar area, with a view to removing them insofar as this is compatible with their balance of payments positions. (The Board has noted with satisfaction that progress in the removal of such restrictions has already been made in some countries.) When individual Member countries have been able to make such an examination, it is suggested that they should be asked to report to the Organization on the nature of the restrictions on dollar imports which they have felt themselves unable to remove. The Board hopes that an examination in the Organization of this information might make it possible for the Council, at a later date, to formulate a co-ordinated policy for tackling the problems which arise in this respect.

II. Report of the Steering Board for Trade (C(53)250, Oct. 12)

Chapter VII of the report is entitled: "Problems arising from Dollar Imports into Member countries". The text is as follows:

In accordance with the mandate given by the Council (C(53)90, para. 3), the Steering Board has considered the problem of quantitative restrictions on dollar imports into Member countries. Admittedly no solution has been found for Europe's dollar problem, but as a result of the increase in their current receipts and of the exceptional receipts from off-shore purchases and certain other expenditure by the United States, Member countries as a whole find their dollar reserves increasing although this may not be the case for certain individual countries. The question is whether Member countries which benefit from this improvement should not devote immediately some part, however small, of their increased earnings to obtaining more flexible supply facilities, either by increasing their import quotas of dollar goods or even by abolishing quantitative import restrictions on some of these goods.

The Board notes the encouraging fact that some Member countries have already taken action along these lines. It has found that in many cases where restrictions on dollar imports have been abolished, the volume of such imports has not substantially altered. For Member countries as a whole, dollar imports have declined quite considerably during recent months.

The gradual relaxation of restrictions on dollar imports should, by giving European industry a wider choice of supplies, help to reduce their production costs and accordingly improve their competitive capacity. In addition, it should enable certain sectors of European industry to compare their sales possibilities on their own markets with those of dollar goods which provide keen competition. It should also demonstrate clearly the resolve of Member countries to move towards a world system of trade on a non-discriminatory basis. It is evident that in this connection any existing artificial export aids must be taken into account.

The Board notes, nevertheless, that the liberalization of dollar imports by certain Member countries may raise problems both in relations between Member countries and in relations between Member and non-Member countries. On this last point, most Member countries, as they are members of the GATT, should extend to all the contracting parties to the GATT any liberalization measures taken in respect of certain dollar imports.

In view of these various factors, the question may arise whether Member countries should consider co-ordinating their policies for the gradual abolition of quantitative restrictions vis-à-vis non-Member countries. The Board hopes that the Council will consider these problems and provide it and the Managing Board of the European Payments Union with the necessary guidance for any work to be done by the two Boards on this matter. The Steering Board emphasizes the necessity of taking into consideration in this field the important problems of commercial policy arising in relations between Europe and the United States.

III. Report of the Experts on the Fifth Report (EC(53)48, Oct. 15)

The report of the Experts' Working Party of the Economic Committee contains the briefest and least encouraging reference to dollar imports. Paragraph 35 reads in part:

There is also some conflict in the short run between the objectives of expanding production and allowing freer entry to dollar goods. For it must be recognized that liberalization of dollar imports would imply an additional strain on reserves.

The report of the Experts emphasizes the need for expansion of production in Europe and, in a previous paragraph (32), points out that, "in general, greater expansion in Europe will adversely affect the balance of trade in the short-run by increasing imports." Later (paragraph 34) the report refers to, "increased European demand for dollar goods," thus indicating that an increase in production must necessarily go hand in hand with increased dollar imports.

The sentences in paragraph 35 quoted above appear to refer to autonomous increases in dollar goods not connected with the expansion. We are not convinced that any such division can in practice be made. We intend, at the Ministerial Council, to point out the apparent incompatibility of the references in the report and emphasize the desirability of reducing dollar restrictions and removing price disparities between EPU and other areas during the period of expansion in order to ensure that expansion takes place in directions compatible with the aims of convertibility and a widened trading area.

Different Views on Dollar Restrictions

Although the Managing and Steering Boards' Reports contain encouraging views on the reduction of dollar restrictions several countries have reserves about the substance of the problem and the manner in which it could be solved in and out of OEEC.

The major question is whether individual countries with relatively stronger payments and reserve positions should relax dollar restrictions more quickly than their less fortunate partners in EPU. The Steering Board "notes the encouraging fact that some Member countries have already taken action along these lines", but the question of co-ordinated policy is left open. viz: C(53)253, para. 12, "The Managing Board hopes that an examination in the organization of this information may make it possible for the Council, at a later date, to formulate a co-ordinated policy for tackling the problems in this respect". The Steering Board also indicates: "in view of these various factors, the question may arise whether Member countries should consider co-ordinating their policies for the gradual abolition of quantitative restrictions vis-à-vis non-Member countries". This "co-ordination" does not necessarily imply a common list, but there is likely to be strong pressure for "an area approach to the abolition of dollar restrictions" from the weaker members. We, of course, are keeping in mind your views on this subject (para 8 of your letter E-415, July 24).

A second question, raised by the Greek Delegation is whether European countries should liberalize products which are being subsidized outside the EPU area. The Greeks have in mind the subsidies on US tobacco and the possibility of losing their markets in EPU countries if the latter permit the entry of US subsidized to-

bacco. This question raises difficult issues of principle which can scarcely be resolved at the Ministerial Council, but the Greeks are certain to press for some satisfaction in the decision on this subject.

A third question, raised by the Germans, is concerned with the problem of discrimination. The Germans have indicated that they may wish to abolish restrictions for some countries which are not in a position to compete too strongly with German industry and maintain the restrictions with respect to more competitive countries. On this point the Steering Board Report states quite definitely: "Most Member countries, as they are members of GATT, should extend to all the contracting parties to the GATT any liberalization measures taken in respect of certain dollar imports".

The Germans, on the whole, seem to be anxious to remove as many restrictions as possible (though we understand there is a difference of view in the Cabinet between Blücher and Erhard). Their primary interest is in bringing about a reduction of the prices of raw materials in the soft currency areas tributary to the European Economy by permitting increased entry of dollar raw materials.

A final question is that pointed out in the Steering Board's report where it emphasizes the necessity of taking into consideration in this field, the important problems of commercial policy arising in relations between Europe and the United States. This sentence refers, of course, to the damage caused to some European countries by US quantitative restrictions and points up the wish of some European governments not to give up all their bargaining power by unilateral reduction of European QRs on dollar products.

L.D. WILGRESS

921. DEA/4901-F-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM 788 Ottawa, October 27, 1953

CONFIDENTIAL. IMMEDIATE.

OEEC CONSIDERATIONS OF DOLLAR IMPORT RESTRICTIONS —
PROPOSED STATEMENT ON CONVERTIBILITY

Reference: Your letter No. 3151 of October 5.

In general, we consider that the line advanced in our letter E-542 of September 21 would serve as an appropriate basis of your statement. It would be useful to point to the progress made in removing dollar import restrictions by the United Kingdom, the Netherlands and Germany (and South Africa) and to emphasize that, inasmuch as a relaxation on essential dollar imports by increasing productivity and lowering costs will tend to strengthen a country's balance of payments position,

such action should not necessarily wait upon an improvement in the balance of payments position. In this regard, we are somewhat concerned about the implications of the statement in Report of Managing Board (para 3 of your telegram) that "all member countries should be asked to examine the restrictions which they still maintain. . . with a view to removing them *insofar as this is compatible with their balance of payments positions.*"

2. On the question of the "common list" approach you might wish to urge that each country should relax restrictions as rapidly and over as wide an area as possible regardless of the extent of relaxation undertaken by other Member countries. It is obvious that the competitive position in world trade of those Members which lag behind in the process of general liberalization will be worsened in relation to those countries which move ahead more rapidly. The actions already taken by some Member countries should encourage others to move in the same direction in spite of certain administrative problems which may result from lack of uniformity in the degree of advance by different European countries. In this connection it might be appropriate for you to ask whether the loss of dollars through re-export was really likely to reach such proportions as to outweigh the benefits which would accrue from the relaxation of dollar imports.

3. We are pleased that the proposed Report of the Managing Board recognizes the importance of removing restrictions on dollar imports as a factor affecting convertibility. In particular we welcome the Report's reference to the relaxation of restrictions on semi-manufactured goods, machinery and equipment as well as foodstuffs and raw materials. This is fully in accord with our view that each country should decide for itself which relaxations of dollar import restrictions would be most beneficial.

4. The fear of recession in the United States may be used by some as an argument against pushing ahead with liberalization of dollar imports. Whatever views one may hold regarding the likelihood of some economic recession in the United States, there seems no doubt that the basic growth factors in the US economy are so strong that even if there is some temporary set-back the level of output, etc. in the United States will be higher in the future than it is at the present time. In other words, there will be greater opportunities to sell in the American[23]

[23] La page trois du document n'a pu être retrouvée.
Page three of document was not located.

922. DEA/4901-F-40

La délégation permanente auprès du Conseil de l'Atlantique Nord au sous-secrétaire d'État aux Affaires extérieures

Permanent Delegation to North Atlantic Council to Under-Secretary of State for External Affairs

LETTER NO. 3512 Paris, November 3, 1953

CONFIDENTIAL

OEEC MINISTERIAL COUNCIL — OCTOBER 29-30

Reference: Our letters Nos. 3302,† 3409,† 3387†.

The meeting of OEEC Ministers which took place last Thursday and Friday produced no startling or unexpected results. Indeed it might be described as an interim stock taking meeting at which all major decisions were postponed until early next spring.

2. Two, perhaps three circumstances overhung the discussions: first, the standstill in US economic policy, secondly, the possibility of a US recession and thirdly the unwillingness of the French Government to accept its commitment to liberalize 75% of French intra-European trade.

3. The only practical advance in European economic affairs which was recorded at the meeting was Mr. Butler's announcement of the UK's decision to increase intra-European liberalization to 75%. This decision was very well received by the Council as it brought the UK back to the liberalization percentage required under Article 2 of the Code. It was generally felt that this was as much as could be expected of the UK at this time. Shortly after the UK announcement, the French Minister M. Faure informed the Council of his Government's intention to liberalize 20% of French intra-European trade indicating that this might be considered a first cautious step. The reaction to M. Faure's announcement was critical though the criticism was thinly veiled with statements welcoming this first stage of the French return to liberalization. It was generally felt that there were no balance of payments reasons which would prevent France from returning to 60% or 75% liberalization. We shall report separately on the debate and decisions concerning liberalization. Suffice to say here that no definite decision on future liberalization was taken at the October 29/30 meeting.

4. Another issue which was brought into the open at the meeting was the old question of whether the European Payments Union should be "hardened" or "softened" when it is renewed next year. When announcing the UK's intention to liberalize to 75%, Mr. Butler stated that one of the conditions that would be required was that the Union should not be hardened. He was strongly supported by France and the other chronic debtors. Mr. Butler's statement forestalled two lengthy statements by Mr. Beyen of the Netherlands and Dr. Erhard who made strong interventions in favour of hardening the Union. In addition Erhard made a plea for a consideration of the adjustment of exchange rates as a means of balancing intra-European

trade and of permitting a quick return to convertibility. We shall also be reporting separately on this debate and the resolutions which derived from it.

5. In the Debate on the Experts' Report on the Fifth Annual Review there was general agreement on the need for expansion in Western Europe and emphasis was laid on the need for close consultation with respect to expansionary policies. The Scandinavian countries were particularly anxious to ensure close consultation at the senior official level and proposed that experts should meet each quarter under the aegis of OEEC. Dr. Erhard proposed that a Ministerial working group might provide a useful vehicle for such co-operation. Neither of these suggestions were picked up in the resolution on this subject although the principle of consultation was reaffirmed. The way in which it will take place has been left to the official council.

6. Many of the Ministerial statements mentioned the problem of relaxing dollar import restrictions on which we shall report separately. I made two statements, copies of which are attached,† advocating strongly the removal of dollar discrimination in the interests of the European economy. My statements were strongly supported by Mr. Erhard and Mr. Stassen, but strongly rejected by M. Lafay, the French Minister. M. Lafay felt that a discussion of this subject was premature, that the problem of intra-European liberalization should take precedence over dollar liberalization. He said that the French Government could only agree to further study of the question in OEEC and could not agree to a resolution on the principles involved.

7. Perhaps one of the most interesting developments at the meeting was the strong support that was indicated by all speakers for the OEEC as an organization for consultation on European and transatlantic problems — even by those Ministers who would move more quickly than others toward full convertibility. Mr. Stassen made the point that the keystone of future economic relationships between Europe and the United States would be "close consultation and co-operation rather than dependence". He also "welcomed the suggestion that the facilities of OEEC can continue to provide an appropriate channel for close co-operation on our common problems".

L.D. WILGRESS

923. DEA/4901-F-40

La délégation permanente auprès du Conseil de l'Atlantique Nord au sous-secrétaire d'État aux Affaires extérieures

Permanent Delegation to North Atlantic Council to Under-Secretary of State for External Affairs

LETTER NO. 3522 Paris, November 3, 1953

CONFIDENTIAL

OEEC MINISTERIAL COUNCIL OCTOBER 29-30: DOLLAR IMPORT RESTRICTIONS

Reference: Our letter No. 3409 of October 26.

Several of the Ministers who spoke at the Ministerial Council touched on the subject of the relaxation of dollar import restrictions. Under cover of my letter No. 3512 of today's date, we sent you copies of two statements I made at the meetings. In both these statements I advanced arguments in favour of a progressive liberalization of dollar discrimination and laid emphasis on the advantages which would accrue to European countries if such a policy were strongly supported. In my statements I emphasized the importance of encouraging each country to proceed at its own best pace in the elimination of the restrictions.

2. The other Ministerial statements did not enter into the details of the problem set out in our letter under reference. Indeed there was no evidence that any of the Ministers had intended that any recommendation of substance should come out of the meeting.

3. Mr. Stassen noted that: "The conclusion of the Managing Board [is] that the road to convertibility lies through the gradual elimination of restrictions on trade with the outside world and particularly with the dollar area. This conclusion is combined with a Steering Board suggestion that a portion of the increase in dollar receipts be devoted to the progressive removal of quotas applied on dollar goods. If these recommendations can be put into effect, they should help to deepen and widen the channels of international trade between Europe and North America. Fewer restrictions on dollar imports would tend to reduce production costs in Europe, introduce the stimulus of new competitive pressure into the European market and thus promote a more efficient use of resources. The United States would welcome any sound move that may be possible to gradually reduce the present barriers to the free flow of American goods and capital to Europe."

4. Dr. Erhard (Germany) in discussing the connection between additional liberalization (intra-European) and the necessity of establishing economically realistic rates of exchange, drew attention to the consequences of increased liberalization. He favoured a tightening of the escape clause of the Liberalization code, a hardening of the Union, economically realistic rates of exchange — but above all, it was important that countries should indicate their determination to accept the consequences of the free play of economic forces, both internal and external on their economies. "For this reason", he said, "I likewise back the efforts to strengthen the

economic relations between our countries and the United States by an increased liberalization with regard to the dollar area and to come to improved adaptation of costs and prices through more liberal competition. In this connection, however, I do not conceal that a more liberal policy directed to that aim might reduce or exhaust the gold and dollar reserves in EPU countries and that then the liberal policy might be charged with what is, in fact, the fault of those unrealistic exchange rates. If, in case of such a development, it should be inferred that a free convertibility is impracticable likewise in regard of the dollar, then, it seems to me, the confusion and tragic [sic] would be complete."

5. M. Beyen (Netherlands), who indicated general agreement with most of Dr. Erhard's remarks, also felt that OEEC should begin studying the possibilities for liberalizing dollar imports as soon as possible. As you are aware both the Netherlands and Germany are taking active measures to liberalize their own dollar restrictions.

6. M. Lafay spoke in strong terms against any Ministerial resolution requesting Member countries to liberalize dollar imports. Such a resolution would not be acceptable to his government. He felt it was premature to take any engagements to eliminate dollar restrictions and imprudent to take any decision until more extensive studies on the question were made by the Organization.

7. In view of the cleavage of opinion on this issue, the resolution on dollar import restrictions (C(53)274) contains no statement of principle or recommendation. The "decision" paragraph reads as follows:

> The Executive Committee shall instruct the appropriate bodies of the Organization to propose to the Council the measures required in order to give effect to the proposals contained in paragraph 12 of the Report of the Managing Board of the European Payments Union referred to above.

8. We were concerned that the resolution did not contain any reference to the co-operation of the United States and Canada in the OEEC work on this problem. You will recall that the resolution of the last Ministerial meeting (C(53)90) contained such a phrase. Instead of altering the present decision, however, a statement was read into the minutes of the Council expressing the general agreement of the Ministers that any work on dollar restrictions carried out in bodies of the OEEC would be carried out with the co-operation and full participation of the United States and Canada.

9. This entry in the minutes may provide a hook on which we may hang our claim to be present at the Steering and Managing Boards when this matter is discussed. There is at least some support for more active Canadian participation in the Steering Board. M. Bauer and M. Bartels,[24] of their own accord, unofficially raised the

---

[24] Gérard Francis Bauer, délégation de la Suisse auprès de l'OECE; représentant de la Communauté du charbon et de l'acier.
Eyvind Bartels, membre (Danemark), Comité de direction des échanges.
Gérard Francis Bauer, Delegation of Switzerland, OEEC; Representative, Coal and Steel Community.
Eyvind Bartels, Member (Denmark), Steering Board for Trade.

question of possible Canadian membership on the Steering Board when talking to a member of the delegation. We shall be reporting separately on this question.

L.D. WILGRESS

924. DEA/4901-F-40

Le sous-secrétaire d'État aux Affaires extérieures à la délégation permanente auprès du Conseil de l'Atlantique Nord

Under-Secretary of State for External Affairs to Permanent Delegation to North Atlantic Council

LETTER NO. E-732 Ottawa, December 23, 1953

CONFIDENTIAL

OEEC MINISTERIAL COUNCIL MEETING OCTOBER 29-30:
DOLLAR IMPORT RESTRICTIONS

Reference: Your Letter No. 3522 of Nov. 3, 1953.

We read with interest your account of the Council deliberations on dollar import restrictions and in particular your mention of the division of opinion at the meeting concerning the desirability of a resolution requesting member countries to liberalize dollar imports. Having in mind how OEEC countries have tended in the past to adopt a rather regional point of view, perhaps this division of opinion should be considered a healthy development. We do nevertheless find disappointing continued reflections of this regional attitude in some of the OEEC deliberations.

2. You discussed the comments of the EPU Managing Board and the Steering Board for Trade on dollar restrictions in your Letter 3409 of Oct. 26th. The concluding paragraphs of your letter explained the different views which obtain in OEEC circles. In your letter No. 3151 of October 25th (paragraph 3) you also indicated some of the apparent "difficulties" in dollar liberalization. However, the Department of Trade and Commerce have commented on the Joint Trade and Intra-European Payments Committee's document on the above mentioned two reports (see document C(53)258) and pointed out that paragraph 9 (a) and (b) is particularly disturbing from our point of view.

3. Para. 9 (a) seems to indicate that the Committee was of the unanimous opinion that no relaxations should be made with respect to any dollar goods the production or export of which may be subsidized. Para. 9 (b) states ". . . the liberalization of imports from the dollar area would raise controversial legal problems for those of the Member countries which are also Contracting Parties to the General Agreement on Tariffs and Trade". However, representatives of some countries did not consider these "legal problems" should create insuperable difficulties.

4. You will also note that the preamble of the Council Resolution on the relaxation of dollar restrictions gives particular attention to paragraph 9 of the Joint Trade and Payments Committee report. This indication of apparent doubts by the Council

on relaxing dollar restrictions is especially disappointing to us (but see paragraph 7 below).

5. The issue in paragraph 9 (a) may raise problems for certain European countries (Turkey) but any such policy as has been suggested of course could not be squared with international trade obligations.

6. We are mystified by paragraph 9 (b). Paragraph 40 of the Steering Board's report and your letter No. 3409 cast some light on the problem, but do not appear to fully explain what the Joint Trade and Payments Committee had in mind.

7. While we would appreciate comments from you on these two points, it does appear to us that they were not endorsed at Council level and should not be considered as official OEEC views. With respect to the incorporation in the Council Resolution on dollar restrictions of the reference to paragraph 9 in the Joint Trade and Payments Committee's comments, Mr. Kilgour[25] has observed that the draft resolution which he obtained at the Council meeting and which was in fact approved by the Council (paper CES/276†) did *not* mention the comments of the Joint Trade and Payments Committee. The Secretariat were acting within their rights when they expanded the "having regard" clauses as the Council did agree on Cahan's suggestion that "amendments of (legal) form" could be made subsequently by the Secretariat. However, you may agree with us that this amendment may tend to be one of substance rather than form.

A.E. RITCHIE
for Acting Under-Secretary of State
for External Affairs

925. DEA/4901-F-40

La délégation permanente auprès du Conseil de l'Atlantique Nord
au sous-secrétaire d'État aux Affaires extérieures

Permanent Delegation to North Atlantic Council
to Under-Secretary of State for External Affairs

LETTER NO. 4109 Paris, December 28, 1953

CONFIDENTIAL

OEEC STUDY OF QUANTITATIVE RESTRICTIONS ON DOLLAR IMPORTS

You will recall that on October 30th the Ministerial Council of OEEC directed that the Executive Committee should assign further work in this field to the appropriate bodies of the Organization and take whatever further initiative was needed. The subject came before the Executive Committee on December 18th. The decision of the Executive contained in Document CE(53)60(Final) of December 24th, 1953, is as follows:

---

[25] A.R. Kilgour de la Direction économique.
A.R. Kilgour, Economic Division.

1. Member countries shall transmit to the Organization before 1st February, 1954, a list of commodities, the importation of which from the United States and Canada is not subject either to quantitative restrictions or exchange allocations, and in the case of other commodities shall indicate the actual degree of restriction of imports imposed under existing regulations and the methods of control which are used.

2. (a) The Joint Trade and Intra-European Payments Committee shall study what action the Organization might take in the matter of quantitative restrictions on imports from the United States and Canada, with particular reference to the information transmitted by Member countries in accordance with paragraph 1 and the proposals made by the Managing Board of the European Payments Union in paragraph 12 of its Report of 13th October, 1953, referred to above, and shall make a preliminary report to the Council before 1st March, 1954.

(b) That preliminary report shall be considered by the Economic Committee before being submitted to the Council.

2. The above text includes two amendments which were introduced by the Executive, both of them as a result of our intervention. We were worried by the earlier draft (dated December 16). It seemed to us that both the individual countries concerned and also the Joint Trade and Payments Committee would be too rushed. The earlier paper implied that every country was to file a report on every commodity with no guidance as to the form of their replies, and also that the Committee would be expected to produce a final (instead of a preliminary) report by March 1954. The revised text is a considerable improvement and we believe that the Secretariat are considering the possibility of sending out a supplementary letter of guidance indicating to the Member Countries that at this stage they are only expected to give a fairly general reply and that more detailed information may be requested when these replies have been considered by the Committee.

3. There was considerable discussion in the Executive regarding the bodies within the Organization that should be entrusted with the task of examining the replies from Member Countries and reporting on them and on further action. As you will see, the primary responsibility has now been given to the Joint Trade and Payments Committee with a secondary responsibility assigned to the Economic Committee.

4. Some members of the Executive felt that the work of the former Committee should be reviewed by the Managing Board and the Steering Board. However, this suggestion was opposed vigorously by other members and also by the Secretary-General who pointed out that it would be inappropriate to have the work, done by committees on which all Members were represented, reviewed by bodies, such as the Boards, with limited membership. Incidentally, we had let it be known in advance both to the Secretariat and to the United States Delegation that if the work were assigned to either or both of the Boards we would seek to be present because of our particular concern in European dollar imports; however, it did not become necessary to mention this in the Executive.

5. The Representative of Sweden expressed some doubts about the desirability and usefulness of the whole exercise, emphasizing that in his country at least the administration of restrictions on dollar imports was highly elastic and varied from time to time depending on the availability of dollars. However, it was pointed out

that the basic decisions had been reached by Ministers and that the Executive was merely carrying out their instructions. Eventually, therefore, the Swedish Representative withdrew his reservations.

6. The reports from Member Countries are due by the first of February and hence this matter will become active in the Joint Trade and Payments Committee about that time. We would appreciate any further guidance and suggestions that you would like to send us beyond those you have already provided. In particular we would appreciate any remarks regarding the experience in the GATT and the Fund relating to examinations of discriminatory import restrictions; is there anything in that experience that we should particularly keep in mind?

A.F.W. PLUMPTRE

SECTION D

INONDATIONS CATASTROPHIQUES EN EUROPE
EUROPEAN FLOOD DISASTERS

926. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Divisions

RESTRICTED [Ottawa], February 9, 1953

. . .

EUROPEAN FLOOD DISASTERS

13. *Mr. Berlis.* Following an immediate offer of assistance made by the Canadian Ambassador in The Hague, efforts have been made to speed Canadian aid to Europe and to the Netherlands in particular. The two Houses of Parliament have passed motions offering sympathy and assistance, and the Prime Minister has proposed that the Red Cross set up a national flood relief committee to which a "substantial contribution" would be made by the Government. A troop of field engineers equipped with searchlights and amphibious vehicles was detached on February 3rd from the Canadian 27th Brigade for service in Holland. An RCAF North Star left in the middle of last week for Amsterdam with 1,500 Army blankets, half a ton of shoes and assorted Red Cross flood supplies. Canadian Red Cross representatives are now in the Netherlands, where they are supervising the allotment of further Canadian aid, in cooperation with the Ambassador. As another means of helping out in the present situation, the Government has broadened the assisted passage scheme for immigrants from Britain, Belgium and the Netherlands, formerly applicable to single workers and heads of families only, to include dependents. Other measures to be taken to speed up Netherlands immigration include: priority in immigration examination for inhabitants of the stricken areas, and in particular for farmers who wish to take up employment with Canadian farmers; and selection of non-agriculturalists from these areas according to their employability rather than on the basis of the present list of skills and trades. This latter

concession will apply to about 1,000 immigrants. In addition, negotiations are proceeding in order to permit some 50 Dutch farming families to be placed on farms in Canada without requiring that they first be employed by Canadian farmers.

. . .

927. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Divisions

[Ottawa], February 16, 1953

. . .

EUROPEAN FLOOD RELIEF

9. *Mr. A.E. Ritchie*. The Prime Minister has indicated his wish that the Department of External Affairs take over responsibility in the matter of relief to European flood victims. The question of the amount of the Government contribution will be handled by the Prime Minister but this Department will provide liaison with the Canadian Red Cross and Government departments concerned, will be the channel of communication and will co-operate in any way possible. In order to centralize this work in one division and since the Economic Division is in general responsible for questions of international emergency relief, it has been decided that all communications, whether they refer to the emergency in the United Kingdom or in the Low Countries, should be handled in the first instance by the Economic Division. That Division will, of course, keep in touch with the political divisions concerned and will consult with them whenever necessary. These arrangements do not affect the responsibility of the Consular Division for questions concerning immigration. The National European Flood Relief Committee, under the chairmanship of the Governor General, held its organizational meeting on Friday, February 13. This Committee, which includes the Prime Minister, the Heads of the other political Parties and the Premiers of all the Provinces, is sponsoring a campaign to collect funds for the relief of the flood victims. At Friday's meeting it was confirmed that the Canadian Red Cross would act as the administrative arm of the National Committee and would be solely responsible for the disposal of the fund, including the contribution of the Federal Government. In the course of his statement at the Government House meeting Dr. Stanbury, National Commissioner of the Canadian Red Cross, spoke in the highest terms of the co-operation which his Society and its representatives in the flood area were receiving from the Canadian Missions in The Hague, Brussels and London.

. . .

928. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], March 5, 1953

. . .

CANADIAN NATIONAL EUROPEAN FLOOD RELIEF FUND; FEDERAL CONTRIBUTION

4. *The Prime Minister*, referring to discussion at the meeting of February 5th,† said that the Canadian Red Cross, which was administering the recently established Canadian National European Flood Relief Fund, had enquired as to the extent of the Federal contribution to the Fund.

5. *The Cabinet*, after discussion, agreed that an item be included in the supplementary estimates to provide a Federal contribution of $1,000,000 to the Canadian National European Flood Relief Fund and that the Prime Minister be authorized to advise the Red Cross accordingly.

. . .

2e PARTIE/PART 2

RELATIONS AVEC DES PAYS PARTICULIERS
RELATIONS WITH INDIVIDUAL COUNTRIES

SECTION A

BELGIQUE : RESTRICTIONS RELATIVES AUX IMPORTATIONS
BELGIUM: IMPORT RESTRICTIONS

929. DEA/4901-Q-40

Le sous-secrétaire d'État aux Affaires extérieures à l'ambassadeur en Belgique

Under-Secretary of State for External Affairs to Ambassador in Belgium

LETTER NO. E-98 Ottawa, February 25, 1953

CONFIDENTIAL

BELGIAN IMPORT RESTRICTIONS

Reference: Your Despatch No. 22 of January 28.†

At the meeting of the International Committee of GATT which was held in Geneva during the first two weeks of this month the Belgian Delegation informed the

Contracting Parties that the following measures had been implemented with a view to carrying out the commitment entered into at the Seventh Session to relax substantially the restrictions on dollar imports:

"1. A list of items which are not restricted upon importation on account of the fact that they are payable in dollars, has been drawn up and published by the Belgian Office for Foreign Trade (Office Belge du Commerce Extérieur). The value of the goods included in this list represents from 65 to 70 per cent of the value of the dollar imports of the Belgian-Luxembourg Economic Union (on the basis of the first six months of 1951). Before such measures were initiated, 25 per cent only of the BLEU imports (first six months of 1951) came under this system.

"2. A list of items still submitted to prior approval (List B) has been drawn up. This list includes all the products which do not come under the List A system. Hence it incorporates items, importation of which was automatically denied under the previously existing system. The Belgian Government will issue licences for imports of items on List B in as liberal a spirit as possible.

"The measures referred to above entered into force on 1 February 1953 in conformity with the commitments undertaken by the Belgian Delegation at the Seventh Session of the Contracting Parties."

2. The measures taken by the Belgians have been examined here and it is noted that they take three forms. First, many commodities have been placed upon a free list of goods which may be imported into Belgium from the dollar area on the basis of bank declarations completely free from government control. Prior to the recent change, goods in this category have been restricted if originating in the dollar area, but not if coming from any other country. Moreover, a number of goods, while remaining subject to import licences regardless of origin, will be admitted from the dollar area as freely as from any other source. Dollar imports falling into this category have hitherto also been restricted on exchange considerations. Finally, certain imports from the dollar area, which remain subject to dollar import restrictions, are being imported under a monthly quota of 100 per cent by value of average monthly imports during the first six months of 1951, i.e., before the dollar restrictions came into force.

3. Most of the goods in which Canada is interested including the four items mentioned in our Despatch No. E-489 of December 3, 1952, are included in the first two lists. I think it would be appropriate, therefore, when you have an opportunity to conveniently do so, to informally advise the Belgians that we are gratified with this significant progress in returning to a free regime and we have noted that they have liberalized not only the commodities about which we were especially concerned but in addition a good many other commodities of interest to us. You might also state that we hope that the Belgian Government will liberalize before very long the remaining items subject to quota.

4. In any detailed conversations which you may have with Belgian officials you might mention our special interest in certain of the commodities excluded from the

recent relaxations, including antibiotics, polystyrene, used jute bags for packing, typewriters, and calculating and accounting machines.

A.E. RITCHIE
for Under-Secretary of State
for External Affairs

930. DEA/9100-AN-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Secretary of State for External Affairs

TELEGRAM 104 Brussels, March 23, 1953

CONFIDENTIAL

INTERNAL TAX ON IMPORTS

Repeat Canac No. 34; by bag The Hague No. 1.

1. Royal decree effective 16 March provides for increases of from 1 to 5 percent ad valorem in the rate of "taxe de transmission" on about 200 imported items but not, repeat not, on corresponding domestically produced items. This tax is an internal sales tax usually levied each time a product is sold i.e., it is usually paid successively by wholesaler, retailer and consumer. Prior to decree it did not have discriminatory effect against imports same tax scale being applied to imports and home produced goods.

2. It is not clear whether increase in tax ranges is contrary to Article III of GATT. Belgians will probably argue:

(a) Object of increases is to eliminate previous discrimination against home products in that: First, imported consumer goods pass through fewer intermediaries than similar goods manufactured in Belgium and thus cumulative effect of "taxe de transmission" has in the past been smaller for imports; second, many imported goods have been subject only to "taxe forfaitaire" a special "once and for all" kind of "taxe de transmission". Increased rates are therefore allegedly designed to equalize internal tax burden on home and imported goods.

(b) Increase in tax rates have been made under authorization of a pre-GATT law dated 16 June 1932.

(c) Increases are necessary as step towards equalizing rates of "taxe de transmission" on imports throughout Benelux, Dutch having increased rates about a year ago.

3. It appears probable that real reasons for increased rates on imports are:

(a) A source of revenue in present difficult budgetary situation.

(b) As means of protecting sectors of Belgian industry sensitive to overseas particularly Dutch competition. May be also a warning to Dutch in present Benelux impasse.

4. We understand Swedes and Italians and perhaps Swiss intend to protest though it is not clear whether here or in forum of GATT or OEEC.

5. Despatch follows.†

931. DEA/9100-AN-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Belgique

Secretary of State for External Affairs
to Ambassador in Belgium

DESPATCH E-184 Ottawa, April 24, 1953

CONFIDENTIAL

INCREASE IN RATE OF BELGIAN "TAXE DE TRANSMISSION" ON CERTAIN IMPORTED GOODS

Reference: Your Despatch No. 232 of March 25.†

The new Belgian charges on imports have been discussed with interested Government departments. We are indeed troubled by the Belgian action, partly because it appears to be contrary to their obligations under GATT and partly because it seems to be another one in a number of recent cases of the Belgians' ignoring their GATT commitments.

2. Before lodging any formal representations, we think it would be well to request the Belgians to supply more information about the tax increases. I should therefore be grateful if you would submit the attached note to the Foreign Ministry.† When we have had an opportunity to examine their reply we will then consider what further action may appear advisable.

3. In drafting this note we have sought to raise this question on the basis of the principles involved and to place it within the GATT context. We note that the Belgians in announcing the additional charges apparently have not linked the question to GATT.

4. Your despatch and enclosures have been very useful in our examination of this problem and you might inform the officers on your staff who are concerned with this matter that their efforts have been greatly appreciated.

932. DEA/9100-AN-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Secretary of State for External Affairs

DESPATCH 410 Brussels, May 27, 1953

CONFIDENTIAL

INCREASE IN RATE OF BELGIAN "TAXE DE TRANSMISSION" ON
CERTAIN IMPORTED GOODS

Reference: Your despatch E-184 of April 24, 1953.

A note on the discriminatory increases in the "taxe de transmission" for certain imported goods, translated from the draft enclosed with your despatch under reference, was handed to Mr. Gerard, the Director-General of External Commerce at the Ministry of Foreign Affairs, by Mr. Arnold Smith on Saturday, 23rd May. Gerard had been out of Belgium for nearly a fortnight, but it seemed to us worth awaiting his return so as to take the matter up personally with him, rather than merely sending in the note, or discussing it with one of his subordinates. I attach two copies of the note, as handed in, in French.

2. Gerard said, in confidence, that the tax increases had been introduced without the consent of his Department and that he had protested them, and been trying to get the measure revised. The real background of the decree, he said, was the deterioration in trade relations with the Netherlands. As you know, friction regarding Benelux arrangements has been growing substantially during the past six months. The Belgians wished, for Benelux purposes, to act in order to adjust what they considered an unfair lack of balance regarding Dutch treatment of Belgian trade interests. However, it was not possible, Gerard said, to tax goods from the Netherlands without taxing those from other countries.

3. Gerard also said that the refusal of the French to renew an old economic agreement with Belgium, which expired this winter, was also a factor, though a minor one, in the Government's decision to increase the taxe de transmission on imports.

4. Mr. Smith commented that the considerations of political and commercial leverage regarding Netherlands and France, did not make the Belgian action any more palatable for other members of GATT. Gerard agreed wryly with this observation.

5. Gerard went on to say that the legal experts had advised the Government that the increase in the taxe de transmission on imports was not in fact incompatible with the terms of GATT, since the law authorizing the increase dates from 1932. This means that legally speaking, Gerard suggested, the Government is merely exercising a right which it possessed at the time of signing the GATT accords and which right was reserved under the terms of the agreement. Mr. Smith mentioned his skepticism about the compatibility of such a change with at least the spirit of GATT, and professed an inability to understand the legal argument involved. Ge-

rard himself obviously regarded this legal argument as purely a technicality. However, he agreed to give us a written reply to our note, setting out the arguments of his legal adviser.

6. Mr. Smith stressed Canadian concern at tendencies to disregard the GATT obligations and expressed the fear that such tendencies, unless challenged, would spread among more than one member country, to everyone's disadvantage. Gerard said that he personally agreed with this; though he would not admit that this particular instance was in fact legally incompatible with GATT obligations.

7. Gerard went on to say that while he was trying to get the text of the decree revised, he was not too hopeful about getting it withdrawn entirely. What he might be able to do, he suggested, would be to have the tax increases adjusted downwards, or waived, in a few specific cases. He suggested that there might be a few commodities in which Canada was especially interested, and our trade in which was significantly harmed by the recent tax increases. He asked that we let him know what items we were most concerned about in this connection. Mr. Smith repeated that the Canadian authorities were above all concerned with the question of principle. However, he agreed to report this possibility of piece-meal adjustment.

8. (I might add at this juncture that Mr. Taylor, the financial attaché of the United States Embassy, said in a discussion a day or so later with Mr. Chapin, my assistant commercial secretary, that the expected yield on the recent increases in taxe de transmission on certain imported goods was almost exactly equal to the revenue lost by the abolition, at the end of February 1953, of the taxe de transmission on certain exports. This elimination of the tax on exports was made as the result of pressure from the Federation of Belgian Industries, and particularly in response to a campaign of criticism organized by the metallurgical industries.)

9. Gerard then raised the question of the family allowance law of August 1930, under which a 7½% [tax] is imposed on the export of goods manufactured in Belgium, when such goods are imported by Government or Municipal agencies from countries other than those operating family allowance schemes which the Belgians recognize to be approximately on a par with those existing here (my letter No. 425 of 17th June, 1952 and your letter E-315 of 10th July, 1952 refer to this matter). Gerard said that he also greatly disliked this tax, and that his Department has been trying, hitherto unsuccessfully, to have it lifted. He was not too optimistic about getting rid of it in the foreseeable future. It brings in, he said, some fifty million francs which go, not into general tax revenues, but into the social security fund. This is politically of some importance and he thought it would be difficult to suppress this contribution to the fund, without increasing a contribution from the general budget, which would be very complicated and would inevitably raise questions of political principle. He suggested however that if Canadian interests were affected adversely by this family allowances tax, we should officially request the Belgium Government to undertake a study of the equivalence of our family allowance scheme. He thought that it should probably be possible to have the Canadian scheme recognized and thus exempt us from this particular law.

10. On this subject Mr. Smith remarked that in general the Canadian concern was again focussed primarily on the question of principle and compatibility with

GATT. The repercussions of repeated infringements of GATT principles might be very much more serious to the general fabric of international trade than the particular immediate advantages or disadvantages to individual countries of specific questionable measures.

11. You may nevertheless consider it worth while to ask the Belgian Government to exempt us from the family allowance tax by recognizing the equivalent value of our own scheme. (I should add that I have not myself studied technically the comparative benefits of the two systems; however presumably this should be examined before a formal request for recognition is submitted.)

12. During the discussions with Mr. Gerard the question of dollar import restrictions, and the extension of the free list was also mentioned. Following receipt of your numbered letter E-98 of 25th February 1953, the gratification of the Canadian authorities at the significant Belgian progress in returning to a free regime had been informally expressed, as well as our hopes that further progress would be made in due course, and the particular Canadian interest in the items mentioned in paragraph 4 of your letter. On this occasion also, however, it seemed worth while to reiterate the Canadian hope that the Belgian Government would before long be able to liberalize the remaining items subject to quota on a discriminatory basis if they came from the dollar zone, and to express once more our special interest in the possibility of getting relaxations on antibiotics, polystyrene, used jute bags for packing, typewriters, and calculating and accounting machines. Gerard promised to have the possibility of relaxation on these items examined carefully and sympathetically.

MAURICE POPE

[PIÈCE JOINTE/ENCLOSURE]

L'ambassade en Belgique
au ministère des Affaires étrangères de Belgique

Embassy in Belgium
to Ministry of Foreign Affairs of Belgium

NOTE NO. 70 Bruxelles, le 15 mai 1953

L'Ambassade du Canada présente ses compliments au Ministère des Affaires Étrangères et a l'honneur de se référer à l'Arrêté Royal du 11 mars 1953, majorant la taxe de transmission à l'importation de certains produits.

L'Ambassade constate que les produits en question ont déjà été taxés à l'importation au titre de compensation pour des taxes intérieures perçues à la production de produits similaires. Puisqu'aucune taxe semblable n'est prélevée sur les produits fabriqués en Belgique, l'Arrêté a pour effet d'alourdir la charge fiscale qui pèse sur les importations.

L'Ambassade croit comprendre que le Gouvernement belge considère que les nouvelles taxes contribuent à mieux égaliser les charges fiscales s'appliquant aux produits locaux et aux produits importés. Cette nouvelle mesure cause quelque inquiétude à l'Ambassade car il est difficile de voir comment la nouvelle majoration

peut se justifier en vertu des dispositions de l'Accord Général sur les Tarifs douaniers et le Commerce (GATT), vu que cette majoration semble élargir la marge de protection dont bénéficient cetains produits fabriqués en Belgique, lesquels sont tous, sauf un, liés par cet Accord.

Il serait dont hautement apprécié si le Ministère des Affaires Étrangères voudrait expliquer de façon plus précise en quoi ces nouvelles taxes font disparaître une discrimination qui existait jusqu'ici contre certains produits locaux. Il serait apprécié également si le Ministère pouvait démontrer comment la perception, à l'importation seulement, de telles taxes additionnelles est justifiée d'après les termes de l'Accord Général.

933. DEA/9100-AN-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Secretary of State for External Affairs

DESPATCH 448 Brussels, June 5, 1953

CONFIDENTIAL

BELGIAN TAXE DE TRANSMISSION INCREASE ON CERTAIN IMPORTS

Reference: My despatch No. 410 of 27th May, 1953.

I have today received a note from the Ministry of Foreign Affairs and External Commerce, in response to the note which was handed to M. Gerard, the Director General of External Commerce, on 23rd May.

2. The Foreign Ministry's note is very brief and laconic. It seems to abandon the (to us unimpressive) legal argument, which had been put out informally prior to our inquiry and which also Gerard expressed to Mr. Smith, that the increase tax was permissible under the terms of GATT, since it was based on law dating from 1932, i.e. prior to the inception of GATT. In place of this argument, it is merely asserted that the purpose of the tax increase is to establish a balance between charges payable on foreign commodities and those payable on domestic commodities: and that such balance had not existed on semi-finished or finished products hitherto: and that "while the rules of GATT forbid, in the field of internal taxation, the institution of a regime which gives a preference to domestic production, it does not, to the knowledge of the Ministry of Foreign Affairs, forbid equality of treatment for domestic and foreign production".

3. I attach a copy of the Ministry's note.† I have sent a routine reply stating that I have referred the note to my Government.

MAURICE POPE

934. DEA/9100-AN-40

L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Secretary of State for External Affairs

DESPATCH 452 Brussels, June 10, 1953

CONFIDENTIAL

BELGIAN IMPORT RESTRICTIONS

Reference: My despatch No. 410 of 27th May, 1953.

Mr. Querton, an official on the Foreign Trade side of the Foreign Ministry (who, incidentally, was formerly Belgian Consul General in Montreal) phoned my Counsellor today. He referred to the hope which we had expressed in conversation with Mr. Gerard (reported in paragraph 12 of my despatch under reference) that the dollar import restrictions might be relaxed on antibiotics, polystyrene, used jute bags for packing, typewriters, calculating and accounting machines. Mr. Querton said that his Ministry naturally wished to do what it could to meet the Canadian request, but that it would greatly strengthen his hand if he could have instances in which licenses had in fact been refused.

2. Mr. Querton was told that these items had been mentioned to Mr. Gerard on specific instructions from Ottawa. Regarding the actual treatment to date of individual requests for licenses to import these commodities, our Commercial Section would look into the matter and get in touch with him. We added that our understanding was that Ottawa was particularly concerned with the principle of excluding these commodities from the free list, and the uncertainty thereby created by the need to obtain licenses in each case: an uncertainty which was naturally not calculated to encourage trade.

MAURICE POPE

935. DEA/9100-AN-40

Le sous-secrétaire d'État aux Affaires extérieures à l'ambassade en Belgique

Under-Secretary of State for External Affairs to Embassy in Belgium

LETTER NO. E-307 Ottawa, July 7, 1953

CONFIDENTIAL

BELGIAN IMPORT RESTRICTIONS AND THE "ALLOCATIONS FAMILIALES"

Reference: Your despatches Nos. 410 of May 27 and 452 of June 10.

Import Restrictions

We were pleased to note that on the occasion of the interview with M. Gerard on May 23 you seized the opportunity to urge the liberalization of the remaining items subject to discrimination. It was also useful to remind M. Querton that we are particularly concerned with the principle of Belgian restrictions against dollar goods.

With regard to the request for information on instances in which licenses had been refused for the items on which we had indicated a particular interest, it is not considered desirable here to enter into discussions concerning individual items on the basis of technical details such as the granting of import licenses by Belgium. The items which we suggested for priority in liberalization are of current importance in our trade and in which Canadian interest is obvious. However, there are other items of potential importance which are at present restricted and we hope that they will also be freed before very long. You will recall that we did not press our complaint against Belgium at the Seventh session of GATT when Belgium indicated that it would soon introduce substantial relaxations in these restrictions as a first step in the direction of their complete removal. We hope that these restrictions will be terminated before the next session of GATT convenes. If you are in further consultation with M. Querton you might reiterate this point of view.

Allocations Familiales

M. Gerard's suggestion that we might request exemption from this import tax on the grounds of equivalence of the Canadian family allowance scheme is an interesting one. As you know the Contracting Parties to GATT at their Seventh Session adopted a recommendation to Belgium that it remove this discrimination and report to GATT not later than the Eighth Session. In these circumstances it would not of course be appropriate for us to endeavour to obtain a relaxation in our favour at the present time. In the light of the examination of the "Allocations Familiales" at the forthcoming session of GATT we will consider whether we wish to take any action to obtain relaxation in our favour. Should Belgium appear to be unwilling to remove the tax entirely it might be useful to attempt to have Canada exempted from the application of the tax on the grounds that our family allowance scheme imposes indirect costs equivalent to the Belgian family allowances scheme.

I shall be commenting separately on the "taxe de transmission".

A.E. RITCHIE
for Under-Secretary of State
for External Affairs

936. DEA/9100-AN-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassade en Belgique

Under-Secretary of State for External Affairs
to Embassy in Belgium

LETTER No. E-320 Ottawa, July 14, 1953

"TAXE DE TRANSMISSION"

In the light of your recent reports on the increases in the "taxe de transmission", interdepartmental consideration has been given to what further action would appear appropriate for us to take. In doing so, we have taken note that the Belgian position with regard to any justification for these increases has perceptibly shifted from time to time.

2. In these circumstances, and in view of the unsatisfactory reply which the Belgians gave to us in their note, we think the most useful development would be for this question to be raised at the forthcoming session of GATT. As you know, the increases could be fully examined there and the Belgians would more or less be required to provide careful and detailed answers to all requests for information. We think it would be preferable if the question were raised by some other country. I should therefore be grateful if you would enquire of your colleagues in other missions whether they are aware if any arrangements are in hand for a complaint to be lodged at GATT.

3. We are also requesting our missions in London and Washington to endeavour to find out whether the UK or the USA propose to raise this issue at GATT. I attach for your information a copy of my letter to these missions† as it sets out in further detail our attitude towards the problem raised by the Belgian action.

4. As Appendix "A" I attach a list of items which are subject to the increase in taxation and in which we have a special commercial interest, according to the best of our knowledge. As we do not consider it appropriate to take up M. Gerard's proposal that we make representations on specific items, this list is forwarded only for your background information.

A.R. KILGOUR
for Under-Secretary of State
for External Affairs

APPENDICE A/APPENDIX A

Benelux Tariff No.	
353	Patent leather
594	Textile bags for packing
604	Rubber footwear
730	Needles of iron and steel
735	Stoves of iron, non-electric
801	Unspecified metals, worked
835(a)	Harvesting machines
890(b)	Freight automobiles
and a lesser interest in:	
581(a)3	Nylon stockings
733(a)1	Steel locks for motor car bodies
779(b)	Aluminum powder
839	Refrigerators

All these items except aluminum powder are bound under GATT.

937. DEA/9100-AN-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassade en Belgique

Under-Secretary of State for External Affairs
to Embassy in Belgium

LETTER NO. E-365 Ottawa, August 11, 1953

BELGIAN TAXE DE TRANSMISSION

Reference: Our Letter E-320 of July 14.

I should be grateful to learn whether you are aware if any Contracting Party will lodge a complaint at GATT against Belgium on this question.

A.E. RITCHIE
for Acting Under-Secretary of State
for External Affairs

938. DEA/9100-AN-40

L'ambassadeur en Belgique
au sous-secrétaire d'État aux Affaires extérieures

Ambassador in Belgium
to Under-Secretary of State for External Affairs

LETTER NO. 634 Brussels, August 24, 1953

BELGIAN TAXE DE TRANSMISSION

Reference: Your letter No. E-365 of 11th August, 1953.

We have asked a number of our colleagues in Brussels whether they know of any preparations for a complaint at GATT against the recent increase of the 'taxe de transmission à l'importation' in Belgium.

2. Both the United States and the British here have expressed their view quite emphatically that their countries, at least, could not contemplate taking any such action. The British, with whom we have discussed this question at some length, believe that, if challenged, the Belgians would argue that the increases in 'taxe de transmission' simply equalize the tax burden within the country on imported and domestic goods and that, in support of this, they would cite the number of middlemen involved in the manufacture and sale of domestic products. They also think that this defence would be very difficult to challenge effectively in GATT. Apparently, however, they are prepared to consider any case which may be put forward by British manufacturers indicating that the burden on goods imported into Belgium is significantly heavier than that on comparable domestic products and, if a strong case were made, they might be prepared to put it forward. The burden of proof has thus been placed on British industry, so far I understand without result.

3. The Swedes, also, are inclined to think that the Belgian increase in the 'taxe de transmission' might be permissible under GATT and do not intend to protest it in that forum. They have, however, reason to believe that the Belgian authorities might consider granting relief to individual products imported into Belgium which have been badly hit by the increased rates of tax and they will probably use forthcoming trade negotiations with the Belgians in Stockholm to explore this possibility.

4. On the other hand, the Italians have protested in Brussels against the increased rates of the tax on several occasions and the Finns have done so once. The Italian Commercial Counsellor has told us that the replies made to his Embassy's protests have all been confined to the claim that the tax increases were designed to equalize the burden of the transmission tax in Belgium on imported and domestically produced goods. He added that he did not believe that this was more than an excuse and that his government was seriously considering protesting in GATT, although a final decision had not yet been taken. We have not learned whether the Finns intend to follow up their protest here with action in GATT itself. We are, however, seeking further information and will inform you if we learn anything worth reporting.

5. In paragraph 3 of your letter No. E-320 of 14th July, you mentioned that you were enclosing a copy of a letter sent to London and Washington on this subject. This was, in fact, not received here and I should be very glad if you would send us a copy. It would also be useful for us in our contacts here to be kept abreast of developments under this head at home.

MAURICE POPE

939. DEA/9100-AN-40

L'ambassade en Belgique
au sous-secrétaire d'État aux Affaires extérieures

Embassy in Belgium
to Under-Secretary of State for External Affairs

LETTER NO. 911 Brussels, November 24, 1953

CONFIDENTIAL

BELGIAN TAXE DE TRANSMISSION

Reference: My letter No. 634 of August 24.

One of my officers was chatting to Mr. Dierckx, Inspecteur Général des Finances at the Belgian Ministry of Finance, at a reception yesterday when the subject of the Belgian "taxe de transmission" arose.

2. Mr. Dierckx, referring to the law of August 16 by which the regulations governing the administration and collection of this tax were tightened up, said that he agreed with the more optimistic forecasts that revenues from this source would be increased by between one and two milliard francs per annum. He went on to say, however, that in his experience, Belgians were the greatest "fraudeurs" in Europe and much remained to be done to improve the effectiveness of the "taxe de transmission" system. To this end he had been asked to review the system and to propose alterations; he was at the moment engaged in doing so.

3. In previous correspondence I have described the nature of the "taxe de transmission" (see my telegram number 104 of March 23 and enclosures to my despatch number 232 of March 25).† To all intents and purposes it is a sales tax levied on each occasion that a product is sold from the time it enters commerce as a raw material until it reaches the final consumer. In Mr. Dierckx's opinion it is the complexity of this system which encourages evasion and he has been working on the assumption that a drastic simplification is essential. In brief, he proposes that the "taxe de transmission" should not in future be levied every time a product changes hands but only when the seller has effected a major change in its nature. The idea is that the tax should fall only once on any given *article*. For example, the "taxe de transmission" would be levied on lumber imported into this country; presuming then that the lumber passed through several hands in the process of cutting and refining until it reached the manufacturer who was to make furniture out of it, no tax would be levied until the furniture had been made and sold to a wholesaler. At

that stage, the lumber having undergone a complete transformation into a new article, the "taxe de transmission" would be levied for a second and last time.

4. Mr. Dierckx thought that this system would greatly increase the effectiveness of the "taxe de transmission" and facilitate the task of its collection; in fact an increase in revenues might be secured with fewer tax collectors. He stressed, however, that he was only just engaged in elaborating his plan which would not be submitted to his Minister until some time early in the new year. He was certain that, even if approved at that level, there would be considerable opposition in Cabinet. His ideas are, therefore, no more than preliminary thinking at the official level.

5. We had time to question Mr. Dierckx only on three points, namely:

a) whether it was not difficult to define "*article*" in a satisfactory way for purpose of determining at what stages in the production of a product the transmission tax should be levied;

b) whether, if the "taxe de transmission" were to be levied at fewer stages in the production and sale of a product and yet greater revenues were to be produced, it would not be necessary to increase the rate of the tax;

c) whether, if this occurred, the effect from the point of view of importers would not be to increase the effective level of tariff barriers.

6. Mr. Dierckx said frankly that, although some thought had been given to these problems, he could not yet give a precise answer to them. He thought, however, that it would not be too difficult to decide at what stage a product should be taxed. He agreed that it might be necessary to take a purely arbitrary decision in some cases but the situation would be an improvement over the present one. On our last two questions, Mr. Dierckx admitted that it might be necessary to raise the rate of "taxe de transmission" on certain products but added that he was not yet at all certain about this and that, in any case, the competitive position of importers in the Belgian domestic market would not be affected since the tax would be raised to an equal extent on identical imported and domestically-produced products. The latter is, of course, a favourite argument with the Belgians when challenged on the "taxe de transmission à l'importation". In the absence of greater detail about Mr. Dierckx's proposals, its justification here cannot be judged.

7. We have given some thought to the possible effects of these proposals but any speculation at this stage would be purely academic as the information given above is based on Mr. Dierckx's present personal thinking and should probably be regarded merely as an indication that the Belgian Government is contemplating changes in the "taxe de transmission" system. Mr. Dierckx's proposals appear to require much elaboration and there is no certainty that he will maintain them in their present form or, in fact, that they will ultimately be accepted by the Belgian Cabinet. The general election scheduled to take place in the spring adds a further element of uncertainty. We will, however, keep an eye on developments and report anything of interest which we may learn.

8. This information has been given to us by Mr. Dierckx on a personal basis as a result of the close working relations which have been established during the negotiations for accommodation for the 27th Brigade Administrative Tail in Antwerp. It

would be appreciated, therefore, if particular care were taken not to divulge its source.

J.P. ERICHSEN-BROWN

SECTION B

FRANCE

SUBDIVISION 1/SUB-SECTION 1

VISITE DE MINISTRES FRANÇAIS À OTTAWA
29-31 MARS 1953
VISIT OF FRENCH MINISTERS TO OTTAWA, MARCH 29-31, 1953

940. DEA/9245-G-40

Le sous-secrétaire d'État aux Affaires extérieures au sous-ministre du Commerce

Under-Secretary of State for External Affairs to Deputy Minister of Trade and Commerce

CONFIDENTIAL Ottawa, December 30, 1952

A representative of the French Embassy has enquired of us informally whether we would be agreeable to holding a fourth round of trade talks in February or March, 1953. I understand that a similar enquiry also has been addressed to you.

The position of this Department remains as heretofore, that is, that if there are any useful questions which can be discussed we will be glad to hold these meetings. Moreover, we consider it useful to take as sympathetic an attitude as possible toward the French initiative in view of the persistent nature of the French balance of payments difficulties and the attendant internal and external pressures which tend to make a solution of France's difficulties peculiarly complex. I should be grateful if you would indicate whether you wish to recommend that we accept this French proposal and, if so, any dates for the meetings which would be suitable to you.

It has occurred to us that the French may seek to widen the scope of these talks from a purely trade point of view. They might raise, among other subjects, the question of establishing a dollar-franc board, further negotiations within the GATT, the possibility of off-shore procurement by Canada in France, and our reactions to the plan submitted by the French at the last session of the GATT for a general reduction of tariff levels. On these questions we are prepared, of course, to hear what the French have to say but there is little likelihood that useful results could come out of talks on these subjects and we would be unable to make any commitments. All these topics can be pursued through normal diplomatic contacts and within the forum of OEEC, GATT, or NATO. If a fourth round of trade talks with the French are held, I think it would be useful, in order to head off any undesirable

subjects and to keep the talks within proper limits, to obtain an agreed agenda beforehand. I should be glad also to have your views on this aspect of the proposed talks.

R.M. MACDONNELL
for Under-Secretary of State
for External Affairs

941. DEA/9245-G-40

Le sous-ministre adjoint du Commerce
au sous-secrétaire d'État adjoint aux Affaires extérieures

Associate Deputy Minister of Trade and Commerce
to Assistant Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, January 8, 1953

Dear Mr. Macdonnell,

This is in reply to your letter of December 30 containing the suggestion that a fourth round of trade talks be arranged with representatives of the French Government.[26]

The French have taken the initiative on each occasion in suggesting these meetings. We have acquiesced for exactly the reasons stated in your letter, namely that we consider it useful to respond sympathetically whenever possible to suggestions made by the French in this field. We have felt, in addition, that there is a good deal in general to be said for having joint meetings from time to time with French officials, to discuss current trends in trade and current difficulties.

On the earlier occasions, we have had no important issues of substance on our side which required us to seek these joint meetings. Indeed, we have been somewhat apprehensive lest other countries be moved, by the force of example, to suggest similar meetings with us. We do not believe there is much to be gained for Canadian trade in present circumstances by encouraging an increased number of international conferences of officials.

In our view, we should again accept the French suggestion of joint trade discussions. It might be well to remind them of our desire to avoid the sort of publicity which might encourage other countries in turn to initiate bilateral official trade discussions with us at regular intervals.

We agree with your general remarks about the subject matter of these talks and we agree, in particular, that it would be a good idea to obtain an agenda in advance. We do not necessarily wish to exclude any subject of discussion which the French may wish to raise, but it would be useful to have some idea in advance of the subjects to which they intend to refer.

[26] Note marginale:/Marginal note:
spoke to de Laboulaye. A.E. R[itchie]

Our Commercial Counsellor in Paris received a hint from the French some months ago that they would be prepared to come to Canada for these meetings if they are invited to come. I feel sure that it would be easier and more convenient from our point of view to hold these meetings in Ottawa. It is appropriate to hold these meetings here whenever possible, because the principal problem is to familiarize the French with opportunities which exist in the Canadian market.

As far as the date is concerned, sometime in March would be more convenient for us than February. I understand that Dr. Isbister has discussed this matter with Mr. Deutsch of the Department of Finance and the latter has suggested also that sometime in March would be more convenient for him.

Yours faithfully,

MITCHELL W. SHARP

942. DEA/8508-40

Extrait du procès-verbal de la réunion des chefs de direction

Extract from Minutes of Meeting of Heads of Divisions

RESTRICTED [Ottawa], February 23, 1953

. . .

VISIT TO OTTAWA OF FRENCH PRIME MINISTER AND FOREIGN MINISTER

8. *Mr. Collins.* On February 20 our Ambassador in Paris extended on behalf of the Minister an invitation to the French Prime Minister and Foreign Minister to visit Ottawa during their forthcoming trip to North America. Both M. Mayer and M. Bidault were glad to accept this invitation. Although no date has been fixed for a visit, it is likely to be toward the end of March or early in April.

. . .

943. DEA/Library

Communiqué de presse du ministère des Affaires extérieures

Press Release by Department of External Affairs

NO. 16 [Ottawa, n.d.]

FOR RELEASE IN PAPERS OF WEDNESDAY, MARCH 25, 1953

VISIT OF THE PRIME MINISTER, THE FOREIGN MINISTER AND THE FINANCE MINISTER OF FRANCE

At the invitation of the Government of Canada Mr. René Mayer, President of the Council of Ministers of France, Mr. Georges Bidault, Foreign Minister, and Mr. Maurice Bourgès-Maunoury, Minister of Finance, will visit Ottawa at the end of this week. The following programme has been arranged.

Sunday, March 29

12 noon — Arrival at Rockcliffe airport aboard special R.C.A.F. aircraft.
Welcomed by the Prime Minister, Cabinet Ministers and senior officials.
Review of guard of honour by Mr. Mayer.
1.15 p.m. — Informal lunch at Prime Minister's residence.
7.45 p.m. — Dinner at French Embassy.
9.30 p.m. — Informal reception at French Embassy.[27]

Monday, March 30

10.30 a.m. — The Minister of National Defence and the Minister of Veterans Affairs will receive the Prime Minister of France at the National War Memorial.

Mr. Mayer will lay a wreath and inspect the guard of honour and talk with war veterans.

11.00 a.m. — Call on Prime Minister of Canada and upon the Secretary (or Acting Secretary) of State for External Affairs.

1.00 p.m. — Lunch at Government House.

3.30 p.m. — Call on the Ministers of Defence Production and Finance.

6.00 p.m. — Press Conference at French Embassy.

8.00 p.m. — Canadian Government dinner at Country Club.[28]

Tuesday, March 31

9.00 a.m. — Departure from Rockcliffe airport aboard special R.C.A.F. aircraft.

944. DEA/6956-40

Note du sous-secrétaire d'État aux Affaires extérieures pour la Direction européenne

Memorandum from Under-Secretary of State for External Affairs to European Division

CONFIDENTIAL Ottawa, April 2, 1953

(Through Mr. C.S.A. Ritchie)

MEETING OF VISITING FRENCH MINISTERS WITH CANADIAN MINISTERS

At 10:40 a.m. on Monday, March 30th, Mr. René Mayer, the Prime Minister of France, called on Mr. St. Laurent. The two Prime Ministers had an informal talk of about half an hour after which Mr. Georges Bidault, the Foreign Minister of France, and Mr. Maurice Bourgès-Maunoury, the Finance Minister of France, came to the Prime Minister's room. They were accompanied by Mr. Guérin, the French Ambassador, and by Mr. de Laboulaye, of the French Embassy.

2. On the Canadian side, Mr. Howe, Mr. Abbott and Mr. Claxton, joined the group and Mr. Wilgress, the Under-Secretary of State for External Affairs, was also

[27] Notre copie du document porte l'annotation suivante:
The following was written on this copy of the document:
cancelled

[28] Notre copie du document porte l'annotation suivante:
The following was written on this copy of the document:
cancelled. reinstated — business suit.

present. There then followed a discussion of about an hour and a half during which the French ministers outlined the problems which were of most concern to them. These were chiefly the relationship of the Saar question to the ratification of the EDC treaty, the determination of the amount of American aid over a longer period than one year and the situation in the Middle East.

3. Mr. St. Laurent opened the discussion by stating that he had had a very interesting and frank talk with Mr. Mayer who had outlined the principal problems confronting the French Government. He said that Mr. Mayer had particularly emphasized the difficulties with which France was faced through having to carry the burden of the war in Indo-China. He then asked Mr. Mayer what points he would like taken up with the other Ministers present. Mr. Mayer said that there was no need to go over again the situation arising out of the war in Indo-China but he would like Mr. Bidault to explain the situation confronting the French Government in respect of ratification of the EDC treaties and more particularly the relationship of the Saar question to ratification of these treaties.

4. Mr. Bidault then spoke at length and with considerable force. He outlined the history of the negotiations with Germany concerning the Saar. He said that what France wanted was an assurance of the continuance of the present situation under which the currency of the Saar territory was that of France and the territory constituted a customs union with France. Internationalization of the Saar would not be a substitute for an assurance on these economic aspects of the question. He then outlined how control over the coal resources of the Saar was essential if France was to be an equal partner with Germany in respect of both the Coal and Steel Community and the European Defence Community. He said that the French Government was fearful that Chancellor Adenauer would take advantage of the provision that had been agreed upon to the effect that the existing arrangements in the Saar were subject to confirmation by the peace treaty. In the view of the French Government the contractual agreements constituted all that could be expected in the way of a peace treaty for some time to come.

5. Mr. St. Laurent observed how unfortunate it would be if France failed to ratify the EDC treaty in the near future. He hoped that what France was insisting upon was not an agreement in detail with the Germans but simply a recognition by the German Government of the principle involved. To this Mr. Bidault replied very emphatically that it would be impossible to ratify the EDC treaty in the absence of firm assurances from the German Government respecting the economic factors in the Saar question because French public opinion would not tolerate France being placed in an inferior position economically to that of Germany.

6. After Mr. Bidault had held forth at length on the Saar question, Mr. Mayer changed the topic of discussion to that of the NATO Annual Review. He said that they feared the coming meeting of the North Atlantic Council on the ministerial level would be similar to that which had taken place in Rome in that it would be unproductive of results. This would be largely on account of the uncertainty about American aid. He then referred to the discussion which they had had in Washington regarding the desirability of the total amount of American aid being fixed for a period of years and not simply annually as is now the case. Mr. St. Laurent com-

mented upon the legislative difficulties of the United States administration and the necessity of Congress proceeding on the basis of an annual budget. He mentioned that the same would be the case in Canada. Mr. Bourgès-Maunoury then outlined the difficulties from the point of view of the French Government. He referred to the blocking in the current defence budget of a defence appropriation which had been made contingent on American aid. This was due to the fact that the expenditures contemplated would have led to further heavy expenditures in subsequent years. France in its present straightened circumstances could not contemplate embarking on such commitments unless they had some indication as to the amount of American aid which would be forthcoming over a period of years. Mr. Mayer said he thought that the arguments they had advanced in Washington on this point had made some impression and that the United States administration were thinking what could be done to meet the difficulties confronting the French Government.

7. Mr. Bidault then took over the discussion once more and outlined at length the French attitude toward the recent Balkan treaty and the negotiations looking toward the setting up of the Middle East Defence Organization. He started off by saying that they had had a visit in Paris of the Prime Minister and Foreign Minister of Turkey, both of whom had impressed them as being singularly able and well-informed. They said that the Turks had outlined the circumstances leading up to the conclusion of the Balkan pact with Yugoslavia and the care they had taken to conform to Turkish obligations under NATO. The Turks were realistic and realized that they would need all the help they could get if their territory was to be defended in the event of a war. The Balkan pact had reserved the position as regards Italy which in turn depended upon the settlement of the Trieste problem. Mr. Bidault outlined the history of the Trieste question and said that he did not see how a solution could be reached in the near future. He then turned to the Middle East and again referred to the talks that they had had with the Turks. He said that the Turks had agreed with them that it had been a mistake to contemplate an approach to the Arab states collectively and that the only way in which to secure the co-operation of the Arab states in the Middle East Defence Organization was to approach each government individually. They would not favour an approach through the medium of the Arab League. Finally he concluded by stating that France attached the greatest importance to the defence of the Suez Canal on account of its importance as an international artery. He did not think that the defence of the canal could be assured if it was left entirely to Egypt. France, therefore, supported the position taken by the United Kingdom government and would not like to contemplate the defence of the Suez Canal being entrusted to anything less than an international force.

8. The meeting then broke up as it was already time for the French ministers to go to Government House for luncheon.

L.D. W[ILGRESS]

945. DEA/9245-G-40

Note de la Direction économique pour le sous-secrétaire d'État suppléant aux Affaires extérieures

Memorandum from Economic Division to Deputy Under-Secretary of State for External Affairs

SECRET Ottawa, April 2, 1953

I attach for your information a summary (probably incomplete) of the discussions held by the French with the Department of Finance and with Mr. Howe. This information has been obtained from conversations with officials of the other Departments who were present.

There has been a good deal of curiosity about the significance of the last paragraph of the communiqué issued at the conclusion of the discussions.[29] We have had calls from the US Embassy and Earnscliffe. It has apparently come as a surprise to some that emphasis should have been placed on the objective of "a satisfactory balance of Franco-Canadian trade". We have been taking the line, which we hope is satisfactory, that while the sentence, of course, does not mean that we are aiming at a bilateral trade balance with France, we are sympathetic to the French desire to bring the value of their sales to Canada more into line with Canadian sales to France, and that we would therefore welcome any efforts they may make to increase their exports to Canada.

It seems clear that the French mean rather different things than we do when speaking of "informal talks". In future when visits of this kind are arranged, it might be useful to make rather tighter arrangements with respect to any financial and economic discussions which may be planned. Our immediate suggestions are as follows:—

(1) A suitably qualified officer of this Department should be present at all general talks between the visiting delegation and the other Departments concerned on economic and financial matters (except of course conversations on a Minister to Minister basis).[30]

(2) There should be an opportunity before the arrival of the visitors to concert the line which it is proposed to take on the Canadian side so as to avoid the possibility of the visitors playing off one Department against the other or getting different answers from different authorities.[31]

(3) That a decision should be taken as soon as possible after the arrival of a visiting delegation as to whether or not a communiqué is to be issued at the end of

---

[29] Il s'agit du:
This refers to:
"Joint Communiqué issued on Conclusion of Discussions of MM. Mayer, Bidault and Bourgès-Maunoury with Members of Canadian Government in Ottawa, March 20, 1953.

[30] Note marginale:/Marginal note:
yes [L.B. Pearson]

[31] Note marginale:/Marginal note:
yes [L.B. Pearson]

the talks. This would presumably enable careful and less hurried consideration to be given to the terms in which any communiqué is framed.[32]

B.M. MEAGHER

[PIÈCE JOINTE/ENCLOSURE]

Note de la Direction économique

Memorandum by Economic Division

SECRET Ottawa, April 2, 1953

FRENCH MINISTERIAL VISIT
TALKS ON ECONOMIC AND FINANCIAL QUESTION

The main discussions on economic and financial matters took place in two meetings — one with Mr. Howe, at which officials of the Department of Defence Production were present, and one in the Department of Finance. I understand that the two main problems discussed with Finance were "burden-sharing" and the French reaction to the proposals of the Commonwealth Economic Conference. The French Ministers apparently explained their dissatisfaction with the present distribution of the common defence effort amongst NATO countries and emphasized the need to give more concrete expression to the concept of burden sharing. Finance officials apparently agreed that it would be desirable to find some more equitable way of sharing the defence burden but warned the French representatives of the impracticability of statistical approaches to this problem, which experience had shown to be quite unrealistic.

On the Commonwealth Economic Conference proposals the French apparently indicated satisfaction with Mr. Butler's forthright statement in the March 23 Ministerial meeting of the OEEC, which had cleared the air considerably and removed many uncertainties. They indicated, however, their anxiety to know more about how the proposals would be worked out in practice and the procedure now to be followed. Finance officials took the line that implementation of the collective approach to freer world trade and payments would depend on agreement being reached on objectives and would have to be worked out carefully in cooperation with the main countries concerned. For these reasons it was too early to expect anything definite at the present time. The French took the view that convertibility would not be achieved quickly. Their caution no doubt reflects the weak French payments position and the fear that they will be left behind by the economically stronger countries.

Discussions with Mr. Howe covered quite a number of subjects, as follows:—

[32] Notes marginales:/Marginal notes:
Yes [L.B. Pearson]
and this Department sh[oul]d have a draft communiqué prepared in advance. This will be done in the case of Adenauer and sh[oul]d be the rule hereafter. C. R[itchie]

Imbalance of Trade

The French side explained their concern about the continuing and growing imbalance of their trade with Canada. Mr. Howe apparently agreed that a better balance would be desirable and suggested that the French could do a great deal to rectify the position by more active efforts to develop the Canadian market. He pointed out that the French had not followed up their participation in the Toronto Trade Fair in an active way and that they should pay more attention to servicing arrangements, maintenance of contacts, etc. Special attention should be paid to the question of sales and service of machine tools. The French brought up the question of Canadian tariffs and the help which some adjustments might give to French exports. They were careful to say that they were not seeking to attack the preferential system and they indicated their awareness of the problem presented to Canada by the obligation to extend any tariff concessions on a most-favoured-nation-basis, and of the fact that there would be general tariff negotiations in the GATT next Fall. Nevertheless, the French representatives thought that there were some parts of the Canadian tariff which would merit close technical examination on a bilateral basis and it was agreed by Mr. Howe that this question might be taken up in the Joint Committee.[33] Trade and Commerce officials anticipate that the French will produce lists of items, at the Committee Meeting, on which concessions would be of interest to them.

Investment

There was a general exchange of views on the desirability of increasing investment both ways. The French side explained some recent French regulations designed to facilitate foreign investment in France and its overseas territories. In the context of investment some consideration was given to the problem of housing the dependants of Canadian servicemen stationed in France. Mr. Howe apparently suggested that, if France provided the housing, Canada might be prepared to consider renting the accommodation at a rate which would amortize the French investment in a relatively short period. The payment of rent would represent an indirect investment in France.

Tourism

The French side brought up the desirability of increased Canadian tourist expenditure in France. Mr. Howe pointed out that there was a natural inclination amongst Canadians to travel in France and mentioned that Canada already had airlines operating to France and that it would be for the French to consider whether arrangements to have French shipping lines call at Canadian ports would be a worthwhile step to encourage Canadians to visit France.

Off-shore procurement

This question was discussed along the lines foreshadowed in the brief prepared for the French visit. The arrangements made during the course of M. Thomas'[34]

[33] La Commission mixte franco-canadienne.
Franco-Canadian Joint Committee.

[34] Dans ses discussions avec le ministère de la Production de défense, Thomas prit des dispositions pour que des offres de soumission soient mises à la disposition des manufacturiers français.
In discussions with Department of Defence Production, Thomas made arrangements for Invitations to Tender to be made available to French manufacturers.

visit were reviewed. The French, for their part, considered that the two week period in which French firms were expected to submit bids for defence contracts for "off the shelf" items was impossibly short and they expressed the hope that some leaway could be granted. Mr. Howe apparently undertook to have this proposal examined sympathetically and, I believe, made reference to the possibility of further conversations in the Joint Committee.

J.H. WARREN

SUBDIVISION II/SUB-SECTION II

VISITE D'UNE MISSION COMMERCIALE FRANÇAISE À OTTAWA
15-16 OCTOBRE 1953
VISIT OF FRENCH TRADE DELEGATION TO OTTAWA,
OCTOBER 15-16, 1953

946. DEA/9245-G-40

Note de la Direction économique pour le sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from Economic Division to Assistant Under-Secretary of State for External Affairs

Ottawa, September 23, 1953

FRANCO-CANADIAN TRADE TALKS

You may recall that, following the French ministerial visit to Ottawa last March, it was agreed to hold another round of trade talks this autumn. The way the matter stands at present is that, after consulting other interested Departments, we agreed to a French proposal to hold a fourth round of talks in Ottawa, commencing on October 15. In view of the relatively short period of time before the meeting, I thought it might be useful to review briefly the nature and scope of the earlier meetings and to summarize the information we have available concerning the agenda for the meeting next month.

2. The French, as you may remember, have continually taken the initiative with respect to these meetings. Their original proposal early in 1950, which we resisted, was that a Franco-Canadian Continuing Committee should be set up along the lines of the Canada-United Kingdom Continuing Committee on Trade and Economic Affairs. The forthcoming round of talks is the fourth of a series which began in Paris early in 1950, following Franco-Canadian agreement to hold informal economic talks from time to time. French delegations to these meetings have been headed by the Director-General of Economic Affairs in the Ministry of Foreign Affairs and have included officials from other Government departments and from the French Embassy in Ottawa. The Canadian delegations to these meetings have been headed by a senior official from the Department of Trade and Commerce (the Canadian delegation to the last meeting was headed by Mr. Bull of Trade and Commerce)

and have included senior officials from Finance, Department of Defence Production, External Affairs and the Tariff Board. In addition, at the last meeting Mr. Rasminsky from the Bank of Canada and Mr. Stein, the Under-Secretary of State, were present for some of the talks. By mutual agreement, the senior French representative acted as chairman during the first two meetings which were held in Paris, while the senior Canadian representative chaired the last round of talks which were held in Ottawa in May, 1951. I assume that all parties will be agreeable to a similar arrangement at the forthcoming meeting.

3. In general, previous talks covered a variety of subjects such as tariff adjustments, French sales in Canada, the release of French assets, etc., and, although from our point of view there have been no important substantive issues, we have felt it wise to respond sympathetically whenever possible to suggestions made by the French in these fields. In addition, we felt there was some merit in having joint meetings from time to time to discuss trends in trade and current difficulties although we have always been apprehensive lest other countries suggest similar meetings with us.

4. With respect to the agenda of the forthcoming meeting, an extremely meagre supply of information has been received from French sources, but we have been somewhat hesitant to press the French lest we should appear unduly interested in the meetings. However, on the basis of information obtained during and since the French Premier's visit, it appears that the French will wish to discuss the following items:

(1) *French trade balance with Canada*. It was agreed during M. Mayer's visit that this question should be discussed at future trade talks. I think the French understand that this is essentially a problem for them to attack and that our willingness to discuss the question does not imply any commitment on our part to obtain a better bilateral balance of trade.

(2) *Tariffs*. At the last meeting in 1951 the French indicated that experts might usefully examine the Canadian tariff structure in order to see whether or not further specific reductions might be advantageous to France. In this connection, M. Cailleteau of the French Embassy recently asked Dr. Isbister of Trade and Commerce whether we would have a list of tariff requests to submit to the French corresponding to the list which they propose to submit to us. We have, of course, no intention to submit such a list and, although we are prepared to discuss any items in our tariff which the French may propose for consideration, it is difficult to see how such discussions could be but a preliminary examination prior to general negotiations in GATT.

(3) *An exploration of the Canadian market.*

(4) *Investment*. Canadian investment in the French Union and possible French investment in Canada.

(5) *DND Housing in France.*

(6) *Off-shore procurement* — with Mutual Aid funds and for ordinary defence contracts.

(7) *Visits of Canadian Tourists to France.*

5. The question of a press release is also important. I suggest that as soon as possible after the arrival of the visitors, a decision should be taken as to the desirability of issuing a press release at the conclusion of the talks. An early decision on this score would permit careful consideration of the text of any communiqué. In this connection, it would be well to remind the French of our desire to avoid publicity which might encourage other countries in turn to ask for bilateral official trade discussions with us at regular intervals.

6. In the light of the above, I suggest that you might usefully discuss with Mr. Bull the following matters:

(a) Canadian representation.

(b) Chairmanship of the Committee.

(c) Scope of the meeting.

(d) Press Release.

(e) Possibility of a preliminary meeting of Canadian representatives to concert a "Canadian line".

With respect to (b), you may wish to suggest to Mr. Bull that in view of his Department's interest in the meeting he might be willing to act as chairman of the discussions.

J.H. WARREN

947. DEA/9245-G-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour la Direction économique

Memorandum from Assistant Under-Secretary of State for External Affairs to Economic Division

Ottawa, September 24, 1953

FRANCO-CANADIAN TRADE TALKS

I spoke to Mr. Bull today and we agreed that arrangements should be made along the following lines:

(a) Canadian Representation —

The lion's share will fall to Trade and Commerce but Finance and the Bank should be on hand to discuss balance of payments questions and investment. Defence Production should be brought in for off-shore procurement and housing in France together with National Defence. This Department will be represented by the Economic Division and that seems to take care of the topics that are likely to arise. Mr. Bull does not know of any subjects coming up which would require representatives from the Secretary of State Department.

(b) Chairmanship of the Committee —

Mr. Bull is willing to act. October 15 is satisfactory to him although he has an impression that the French may not be ready by that time. In connection with hospi-

tality, he mentioned that he will be tied up on October 16 at a lunch with the Chamber of Commerce as will a number of other officials. That date is therefore eliminated from any programme of official hospitality.

(c) Scope of the Meeting —

This will presumably follow past precedents. The French will presumably wish to raise a number of points and it may turn out that the Canadian side will have to explain why various proposals are not acceptable.

(d) Press Release —

The French are likely to want one and it would probably be a mistake to have them here without saying something official. It should be vague and innocuous and a draft prepared in advance.

(e) Preliminary Meeting of Canadian Representatives —

Mr. Bull agrees that this would be advisable.

2. I think that this will give you what you need to begin making arrangements.

R.M. M[ACDONNELL]

948. DEA/8508-40

Extrait du procès-verbal de la réunion hebdomadaire des directions

Extract from Weekly Divisional Notes

RESTRICTED [Ottawa], October 13, 1953

. . .

FRANCO-CANADIAN TRADE TALKS

14. *Economic Division:* On October 15 and 16 talks will be held with a French trade delegation led by M. Clappier, the Director of External Relations of the Ministry of Economic Affairs. The Canadian Delegation will be headed by the Deputy Minister of Trade and Commerce, Mr. Bull, and will be composed of representatives from his Department, the Departments of Finance, National Revenue, Defence Production, and External Affairs, and the Bank of Canada. This Department will be represented by Economic Division.

The discussion will be devoted largely to subjects which have been suggested by the French. These include balance of payments questions, Canadian tariff regulations, export problems of a technical character, trade promotion, double taxation arrangements, defence contracts and off-shore procurement. Our delegation has suggested French import restrictions and French regulations on wheat imports for re-exportation as flour, as items for discussion.

This is the fourth of a series of informal trade talks which have been convened during the last three years at the suggestion of the French.

. . .

949. DEA/9245-G-40

Communiqué de presse du ministère du Commerce

Press Release by Department of Trade and Commerce

FOR IMMEDIATE RELEASE [Ottawa], October 19, 1953

The Minister of Trade and Commerce announced to-day the successful conclusion of two-day talks in Ottawa between French and Canadian officials on trade and financial matters.

This meeting was decided upon last March following on the conversations which took place in Ottawa at that time between members of the Canadian Government, the French Prime Minister and the French Ministers of Foreign Affairs and Finance.

The officials examined recent developments in trade and payments between the two countries, and gave particular attention to ways and means of bringing the exchange of goods and services to the highest possible level.

A thorough examination of the potential expansion of traditional French exports was made. Amongst the new possibilities of developing French exports to Canada, emphasis was placed on possible Canadian imports from the French overseas territories, as well as of French capital goods. The prospects for French investment in Canada as well as Canadian investment in the French Union were examined, and it was recognized that such developments in the investment field would have desirable effects both on the balance of payments and the exchange of goods between the two countries. The examination of Canadian and French administrative procedures and commercial practices brought out various means of facilitating trade.

The representatives surveyed the measures taken by the two countries to make their respective products better known, especially through trade fairs. The French officials reviewed their increasing participation in the Canadian International Trade Fair in Toronto, and the steps they are taking to organize a major French trade exhibition in Montreal in 1954.

In the discussions of general economic matters, it was recognized that the removal of existing obstacles to the expansion of international trade and payments is of vital importance to the strength and security of all countries of the free world.

The conversations took place in the most cordial atmosphere. The French Delegation was led by M. Bernard Clappier, Director of External Relations of the French Ministry of Economic Affairs. The Chairman of the Canadian Delegation was Mr. W. Frederick Bull, Deputy Minister, Department of Trade and Commerce.

950. DEA/9245-G-40

L'ambassadeur en France au secrétaire d'État aux Affaires extérieures

Ambassador in France to Secretary of State for External Affairs

DESPATCH 1695 Paris, October 27, 1953

CONFIDENTIAL

CANADA-FRANCE TRADE TALKS

In Weekly Divisional Notes No. 41 of October 13 it was reported that a new round of Canada-France trade talks would get under way in Ottawa on October 15. In our last communication on this subject from the Department (Letter No. E.636 of June 8†) it was stated that the French Embassy in Ottawa had suggested that the talks should take place in Canada on October 15, but no other details were given. Since that letter we have had no further information from the Department. Mr. Campeau, Acting Commercial Counsellor, has been in contact on occasion with the Department of Trade and Commerce concerning these talks, but the information generally available to the Embassy has been sparse.

2. The lack of information available to us on this particular aspect of Canada-France relations raises, I believe, the whole question of economic reporting, since a number of the items listed as being on the agenda for the talks are those on which the Embassy reports from time to time. Economic reporting, as you are aware, is divided between the Chancery and the Commercial Office, with the latter limiting itself largely to the preparation of reports on commodities, on technicalities of new or renewed trade agreements, and to agricultural reports. The Chancery assumes responsibility for preparing other reports concerning general aspects of the economy, and in particular questions of budget and fiscal policy, which are extremely alive in France to-day. Our reporting in this respect has not been as extensive as we would wish, in part due to the limitation of time and in part due to the fact that we were not sure how interesting or useful our reports were proving to the Department. Through our close contacts with the OEEC Mission, we are now better able to assess the importance of the various possible types of economic reports, but it is still quite difficult to take well-informed guesses as to the Canadian Government's interest in French economic problems. Our ignorance of the development and the preparation for the Canada-France trade talks regrettably emphasizes the feeling that missions sometimes get that they are working in a void in the writing of some of their reports.

3. In our Despatch No. 928 of June 26[35] we made some comments on the subject of Departmental guidance to missions on reporting, and emphasized at that time that the Department's decision to provide more extensive and frequent comment and instruction on reporting from missions abroad was warmly welcomed by this Embassy. We appreciate that, particularly in the economic field, the pressure of work in the Department makes extensive comment and guidance an almost impos-

[35] Non trouvée./Not located.

sible burden. But where the subject is one, like the Canada-France trade talks, which is obviously of major concern to the mission, it would be most helpful to have as much information and guidance as the Department is able to supply. This will also help the Embassy to ensure that the subjects selected for reporting, and the treatment given to these subjects, correspond with the needs of the Department.

GEORGES VANIER

951. DEA/9245-G-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur en France

Secretary of State for External Affairs to Ambassador in France

DESPATCH E-1349 Ottawa, December 3, 1953

SECRET

CANADA-FRANCE TRADE TALKS

Reference: Your Despatch No. 1695 of Oct. 27.

I regret that we did not send you immediately any information concerning the round of trade talks which were held in Ottawa on October 15-16. At the time we felt that the communiqué which was issued simultaneously in Paris and Ottawa at the conclusion of the meetings[36] would serve to provide you with a brief interim report pending the completion of the minutes, which as it turned out, took a long time to prepare. In fact, they were only completed on November 30.

2. As you will appreciate from your knowledge of similar talks which were held during recent years, the subjects dealt with at the meetings mainly concerned technical and administrative difficulties which stand in the way of increased trade between our two countries. A good deal of time was taken up with questions by the French officials and detailed answers which were provided by senior representatives from the Departments of Trade and Commerce, Finance, National Revenue, Defence Production, and the Bank of Canada. You will note from the attached minutes that Canadian officials indicated that the Departments concerned would examine sympathetically any cases where Canadian administrative procedures or regulations are standing in the way of French exports to Canada. In this connection, I understand that officials in the Department of National Revenue are currently examining a list of French exports submitted by the French Commercial Counsellor in order to determine whether it may be possible to make, within existing regulations, any concessions which would facilitate the entry of such products into Canada.

[36] Non trouvé. On trouvera une copie du projet de procès-verbal de la réunion, qui porte la date du 24 novembre 1953, dans le dossier DTC/20-2-2.
Not located. A copy of the draft minutes of the meetings, dated November 24, 1953, can be found on File DTC/20-2-2.

3. I shall endeavour to keep you informed on any further action which is taken by Canadian Departments to comply with French requests which were not dealt with at the meeting. In addition, I am planning to send you in the near future an outline of our views concerning economic reporting from the Mission.

A.E. RITCHIE
for Secretary of State
for External Affairs

SECTION C

RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
FEDERAL REPUBLIC OF GERMANY

SUBDIVISION I/SUB-SECTION I

DETTE EXTÉRIEURE DE L'ALLEMAGNE
GERMAN EXTERNAL DEBTS

952. PCO

Note du ministre des Finances
pour le Cabinet

Memorandum from Minister of Finance
to Cabinet

CONFIDENTIAL Ottawa, February 20, 1953

RE: AGREEMENT ON GERMAN EXTERNAL DEBTS

The Canadian Government has been invited by the United Kingdom Government acting in conjunction with the Governments of the French Republic, of the United States of America, and of the Federal Republic of Germany to designate a representative with the necessary full powers to sign the Agreement on German External Debts on its behalf on Friday, February 27, 1953, in London, England. Should the Canadian Government not wish to become an original party to the Agreement it may accede to the Agreement at a later date.

The terms and conditions embodied in this Agreement arose out of the Conference on German External Debts which was held in London from February 28th until August 8th, 1952. They cover the settlement of Reich debts, such as the Dawes Loan of 1924 and the Young Loan of 1930, as well as the debts of other public authorities. Provision is also made for the settlement of medium and long-term debts resulting from private capital transactions, the Standstill Debts, claims arising out of goods and services transactions and a variety of other claims. It should be noted that debts solely of East German origin are excluded.

The terms proposed for the settlement of the German debts covered by the Settlement Plan have been worked out in negotiations between representatives of the creditors and the debtors so that the Governments of the various countries con-

cerned are in a sense endorsing the settlement reached by the private interests. Three members of the Canadian Delegation were representatives of private creditors and were able to enter into the negotiations.

The terms conform as closely as possible to the existing contracts but certain adjustments have been made in the rates of interest allowed. Except in some special cases no repayment in foreign exchange of the principal of any debt will be made during the first five years. Interest, however, will be payable as early as April 1, 1953, on some categories of debts. Commencing in 1958 the principal would be repaid on an amortized basis.

The principles of the settlement are that Germany will ensure that the debts owing to residents of any country which does not sign the Agreement will not be paid until the debts owing to residents of countries who are party to the Agreement have been paid. The one exception to this general rule is that holders of marketable securities will be eligible to receive payments no matter where they reside. A large number of the debts owing to Canadians fall in this category but a still larger number of Canadians would not benefit from the settlement if Canada did not become a party. Any creditor may refuse to accept the terms of the settlement and if he does so his legal rights within Germany are protected but he cannot be paid until all obligations covered by the Agreement have been fulfilled.

There is no reason to believe that Canada could later secure more favourable terms of settlement than those secured by the major creditor interests at the Conference with whom the West German Government would be more anxious to restore its credit. The Canadian interest of approximately $1,725,000 is only about one-quarter of one per cent of all Germany's external pre-war debts.

Canada took an active part among the countries with smaller interests in seeing that the Conference on German Debts adopted the policy of "no discrimination or preferential treatment in the fulfilment of the terms agreed on as among categories of debts or currencies in which payable, or in any other respects, should be permitted by the West German Government or sought by the creditor countries". In this connection I should point out that payment in Canadian dollars would be facilitated in certain instances if Canada were to enter into a payments agreement with Germany. I would not propose however that we enter into a payments agreement for this reason alone.

I therefore recommend with the concurrence of the Secretary of State and the Acting Secretary of State for External Affairs that Canada should be an original party to this Agreement and that the High Commissioner for Canada, London, be given the necessary full powers to sign the Agreement on behalf of the Canadian Government.

D.C. Abbott
Minister of Finance

I concur
F. Gordon Bradley
Secretary of State
Brooke Claxton
Acting Secretary of State
for External Affairs

953. **PCO**

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

. . .

TOP SECRET [Ottawa], February 23, 1953

GERMAN EXTERNAL DEBTS; ACCESSION TO THE AGREEMENT

3. *The Minister of Finance* said the Canadian government had been invited by the UK government, acting in conjunction with the governments of France, the United States and the Federal Republic of Germany, to accede to an agreement on German external debts to be signed on February 27th. The terms and conditions of the agreement arose out of a conference in London from February 28th to August 8th, 1952. Three members of the Canadian delegation had been representatives of private creditors and were able to enter into the negotiations.

The terms of the agreement conformed as closely as possible to the existing contracts but certain adjustments had been made in the rates of interest allowed. Delay in repayment of capital amounts was provided for. Under the agreement Germany would ensure that debts owing to residents of any country which did not sign the agreement would not be paid until debts owing to residents of countries party to the agreement had been paid. Any creditor could refuse to accept the terms of the settlement. His legal rights would be protected but he could not be paid until all obligations covered by the agreement had been fulfilled. It was recommended, with the concurrence of the Secretary of State and the Acting Secretary of State for External Affairs, that the High Commissioner in London be given power to sign the agreement.

An explanatory memorandum was circulated.

(Minister's memorandum Feb. 20, 1953 — Cab. Doc. 50-53)

4. *The Cabinet* approved the recommendation of the Minister of Finance, as concurred in by the Secretary of State and Acting Secretary of State for External Affairs, and agreed that the High Commissioner in London be given power to sign, on behalf of Canada, the agreement respecting German External Debts; an Order-in-Council to be passed accordingly.

(Order-in-Council P.C. 1953-260, Feb. 23)†

954. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], November 4, 1953

. . .

AGREEMENT ON GERMAN EXTERNAL DEBTS

39. *The Prime Minister*, referring to discussion at the meeting of February 23rd, 1953, said Cabinet had approved the recommendation of the Minister of Finance that the High Commissioner for Canada in London be given power to sign, on behalf of the government of Canada, the Agreement on German External Debts. It was provided that the Agreement should enter into force upon the deposit of instruments of ratification with the government of the United Kingdom by the governments of the Federal Republic of Germany, France, United Kingdom and the United States. Such entry into force would be effective as to all governments signatory to the Agreement which by that time had deposited the required instruments for ratification. The Agreement came into force on September 16th, 1953. In order that it would be effective as to the government of Canada, it was recommended by the Secretary of State for External Affairs, with the concurrence of the Minister of Finance and the Secretary of State, that an instrument of notification specifying that the agreement has been approved by the Canadian government be deposited with the government of the United Kingdom.

An explanatory memorandum had been circulated.

(Memorandum, Secretary of State for External Affairs, Oct. 30, 1953 — Cab. Doc. 273-53)†

40. *The Cabinet* agreed that the High Commissioner for Canada in London be authorized to inform the government of the United Kingdom, through the deposit of an instrument of notification, that Canada had approved the Agreement on German External Debts; an Order-in-Council to be passed accordingly.

(Order-in-Council P.C. 1953-1713, Nov. 4)†

. . .

SUBDIVISION II/SUB-SECTION II

VISITE DU CHANCELIER À OTTAWA, 17-18 AVRIL 1953
VISIT OF CHANCELLOR TO OTTAWA, APRIL 17-18, 1953

955. DEA/10935-B-40

Extrait d'une note pour le premier ministre

Extract from Memorandum for Prime Minister

CONFIDENTIAL Ottawa, March 3, 1953

INVITATION TO DR. ADENAUER TO VISIT OTTAWA

Dr. Adenauer, probably accompanied by Professor Hallstein, the State Secretary for Foreign Affairs, is expected to arrive in Washington on April 7 and to remain there until April 9. There is a possibility that he may not arrive until April 8, in which case he will stay through April 10.

2. As you know, we are to be visited this spring by Mr. Butler, MM. Mayer and Bidault and Mr. Köprülü.[37] You may, therefore, think it advisable to extend an invitation to the Federal German Chancellor to come to Ottawa at the close of his Washington stay. Last year when he visited Dr. Adenauer, Mr. Abbott made the suggestion, quite informally, that should the Chancellor ever be going to our side of the world he would be a welcome visitor to Canada. Our Ambassador to the Federal Republic reported Mr. Abbott's suggestion and as a result consideration was given to the question of inviting Dr. Adenauer to Ottawa. It was decided to let the matter ride for the time being as we were not convinced that public opinion in Canada was quite ready to welcome a visit from the German Chancellor.

3. Since then, however, Dr. Adenauer has played an increasingly important role on the international scene. Moreover, Canada's relations with the Federal Republic have been closer and, on the whole, more cordial. The visit to Ottawa last September of Dr. Erhard, the West German Minister for Economic Affairs, passed off well and aroused no adverse comment in the press or public.

It is agreed by the members of NATO that a German contribution to Western defence is indispensable and it is clear that Dr. Adenauer shares this view and that his political opponents question it. The problem of ratification of the EDC Treaty by Germany is a crucial one and any evidence of friendship and solidarity which we can show the Federal Chancellor will, I think, be welcome to him and helpful to our common cause.

5. I would, therefore, suggest that we instruct the Canadian Ambassador in Bonn to convey an invitation from the Canadian Government to Chancellor Adenauer to visit Ottawa immediately following his Washington visit. If you agree, I shall take the necessary steps to see that the invitation is sent and a suitable programme arranged.

. . .

---

[37] Fuad Köprülü, ministre des Affaires étrangères de Turquie.
Fuad Köprülü, Minister of Foreign Affairs of Turkey.

956. DEA/Library

Communiqué de presse du ministère des Affaires extérieures

Press Release by Department of External Affairs

No. 17 [Ottawa, n.d.]

For Immediate Release, Friday, March 27, 1953

The Department of External Affairs announced today that the Canadian Government had extended an invitation to Dr. Konrad Adenauer, Chancellor and Foreign Minister of the Federal Republic of Germany, to come to Ottawa after his forthcoming visit to the United States. Dr. Adenauer has accepted the invitation and will arrive in Ottawa on the afternoon of Friday, April 17, leaving for Hamburg the following day.

957. DEA/10935-B-40

Notes sur les conversations canado-allemandes

Notes on Canadian-German Conversations

Secret Ottawa, April 18, 1953

(A) CONVERSATION WITH THE PRIME MINISTER, 10.30-11.30 A.M.

Present

Dr. Adenauer
the Prime Minister
Mr. Claxton
Professor Hallstein[38]
Mr. Wilgress
the German Ambassador
Herr Weber (interpreter)
Mr. Duder[39]

War Criminals

1. Dr. Adenauer introduced the topic of war criminals which had been brought up at his press conference immediately before the meeting. Both he and the Prime Minister agreed that the solution by which a Canadian would sit as the United Kingdom representative on the Mixed Clemency Board when the cases of Meyer and Neitz were to be considered was a happy one.[40] There had been talk by Presi-

[38] Walter Hallstein, secrétaire d'État aux Affaires étrangères, République fédérale d'Allemagne.
Walter Hallstein, Secretary of State for Foreign Affairs, Federal Republic of Germany.

[39] R. Duder, agent chargé de l'Allemagne, Direction européenne.
R. Duder, German Desk Officer, European Division.

[40] Kurt Meyer et Johann Neitz étaient des criminels de guerre allemands qui avaient été condamnés par les cours militaires du Canada en vertu de la Loi sur les crimes de guerre; ils étaient en prison dans la zone britannique de l'Allemagne.
Kurt Meyer and Johann Neitz were German war criminals convicted by Canadian military courts under the War Crimes Act who were imprisoned in the British Zone of Germany.

dent Eisenhower in Washington of setting up this Board before final ratification of the contractual agreements, and Dr. Adenauer would appreciate Canadian help in hastening this process. The Prime Minister said that Canada would not find it difficult to associate herself with this but would not take the first step.

Refugees

2. Dr. Adenauer referred to the plight of the some 200,000 farmers who had fled from Eastern Germany and wondered whether Canada could not take some of them for four or five years as farm workers. He admitted that the question of the transfer of funds for these men and their families would be difficult because Germany already has an unfavourable balance of trade with Canada. Perhaps, however, the five million dollars worth of German assets which had been retained by Canada might be used to finance the settlement. In reply the Prime Minister said that such a question would have to be referred for detailed study to the German Ambassador and to the competent Canadian officials. It would, however, be contrary to Canadian policy to accept immigrants for a definite period, although we would not prevent them from leaving should they so decide.

Trade Questions

3. Dr. Adenauer regretted that Canada did not buy more goods from Western Germany. The Prime Minister, referring to our belief that trade must flow in two directions, added that we are free-traders and the Canadian market is open to suitable German products. The German Ambassador put in a word about preferential tariffs which made it difficult for Germans to compete with British and American goods. It was agreed that these and similar economic questions would be best dealt with by Canadian and German experts who were in fact meeting that morning to consider them.

The International Political Scene

4. Dr. Adenauer expressed his thanks that Canada had adopted so open and welcoming an attitude towards European integration. Germany greatly appreciated Canada's interest in Europe and particularly the sending of Canadian troops to Europe as part of the integrated force. He added that he also thought the UK attitude towards the EDC went as far as could reasonably be expected.

Dr. Adenauer saw two reasons for Russia's present policy. The Russians wanted:

(a) to make the USA resort to peripheral defence; and

(b) to win Germany, France, Italy and the Benelux countries without resorting to war so that in time the war-potential which they controlled would be greater than that of the USA. It was always necessary to remind ourselves that the rulers of Soviet Russia took a very long view and were content to wait.

The Prime Minister pointed out that Canada, as well as the US, was defending her own interests. Canadians did, however, feel that they understood Europe perhaps better than the Americans since they had been in longer and closer contact with European conditions. He added that we also knew the Americans pretty well and were convinced that they did not seek to dominate other countries. In his view

the age of nationalism was in any case over. Dr. Adenauer assured the Prime Minister that there was no need to fear a resurgence of National-Socialism in Germany.

Otto Strasser

5. Dr. Adenauer expressed his thanks to Canada for keeping Otto Strasser here. He did not seem to regard Strasser as a real danger but rather as a nuisance whose return would be unwelcome. The Prime Minister made it quite clear that we were not preventing Strasser from leaving, but merely not facilitating his departure.[41]

Closing Remarks

6. The Prime Minister assured Dr. Adenauer that we regarded his visit as an aid to our political situation since it was evidence to our people that we are part of an effective alliance. Dr. Adenauer said how happy he was to have been so cordially received and expressed the hope that he might soon be able to welcome Mr. St. Laurent in Bonn.

(B) CONVERSATIONS BETWEEN DR. ADENAUER AND MESSRS. CLAXTON, ABBOTT AND HARRIS, 11.30 A.M. TO 12.30 P.M.

Present:

Dr. Adenauer
Professor Hallstein
Dr. Dankwort,[42]
Herr Weber (interpreter)
Mr. Claxton
Mr. Abbott
Mr. Harris
Mr. Wilgress
Mr. Laval Fortier[43]
Mr. Duder

Mr. Claxton introduced the subject of UK association with the EDC and Dr. Adenauer was of the opinion that this association would help the French Socialists to vote for the Treaty when the time came. In answer to a question put by Mr. Claxton, Dr. Adenauer said that he missed M. Schuman and wished him back at the Quai d'Orsay.

---

[41] Otto Strasser entra au Canada en qualité de réfugié politique en 1941. Après la fin de la Deuxième Guerre mondiale, il présenta plusieurs demandes pour obtenir un certificat canadien d'identité qui aurait facilité son départ du Canada, mais le gouvernement refusa d'émettre le document parce que le gouvernement allemand était peu disposé à le laiser revenir en Allemagne. En décembre 1953, le gouvernement canadien décida que les raisons qui militaient en faveur de ne pas émettre le document n'étaient plus valides et il délivra le document.
Otto Strasser entered Canada as a political refugee in 1941. After the end of World War II he made several applications for a Canadian Certificate of Identity which would facilitate his departure from Canada, but the government refused to issue the document because of the reluctance of the German government to have Strasser return to that country. In December 1953 the Canadian government decided that the reasons for withholding a certificate were no longer valid and the document was provided.

[42] Werner Dankwort, ambassadeur de la République fédérale d'Allemagne.
Dr. Werner Dankwort, Ambassador of Federal Republic of Germany.

[43] Laval Fortier, sous-ministre de la Citoyenneté et de l'Immigration.
Laval Fortier, Deputy Minister of Citizenship and Immigration.

2. Mr. Claxton announced that an air wing of three squadrons of Sabre jets had landed at Zweibrücken and would probably be turned over officially to SHAPE on April 26. There followed a general discussion on Canadian soldiers in Europe.

3. At noon Mr. Harris, accompanied by Mr. Laval Fortier joined the group and Dr. Adenauer returned to the topic of the possible temporary settlement in Canada of farmers from the East Zone of Germany, the cost of such an operation to be covered by the use of the five million dollars worth of German assets in Canada. Both Mr. Harris and Mr. Abbott promised to look into the question and to remain in touch over it with the German Ambassador.

4. Mr. Claxton mentioned the possibility of young Germans being employed by the Canadian Brigade for some two years and then being allowed to emigrate to Canada permanently. Dr. Adenauer seemed pleased with this scheme.[44]

5. In connection with this question of emigration, Dr. Adenauer described the way in which the East Zone was deteriorating and how badly in particular the land was being treated. This led Mr. Claxton to ask whether Dr. Adenauer expected new proposals in German unification from the Russians. In reply the Chancellor said that the last Allied Note (September 23, 1952) remains unanswered. He did not expect that there would be any new and acceptable proposals put forward by the Soviet Union. In his view, the Russians have realized that they cannot communize the East Zone and are, therefore, hoping to use it as a pawn in the East-West game of chess. No Russian propaganda move would succeed in either part of Germany. After the elections, which Dr. Adenauer confidently expected to win, even the Social-Democratic Party would turn out to be more pro-Western than at present. They still lived in the shadow of the late Dr. Schumacher and could hardly change his policy in an election year.

958. DEA/10935-B-40

Note de la Direction économique pour la Direction européenne

Memorandum from Economic Division to European Division

CONFIDENTIAL Ottawa, April 22, 1953

BARON VON MALTZAN'S[45] TALKS WITH THE MINISTER OF TRADE AND COMMERCE AND WITH VARIOUS OFFICIALS

The following information has been obtained from conversations which we have had with Mr. Barrow of Trade and Commerce.

In the talk with Mr. Howe the possibility of defence purchasing by Canada in Western Germany and the prospects for increased German exports to Canada were

---

[44] Par la suite, le gouvernement canadien décida que le projet n'était pas réalisable.
The Canadian government subsequently decided that the plan was not feasible.

[45] Le baron Vollrath von Maltzan, sous-secrétaire d'État adjoint au Commerce, République fédérale d'Allemagne.
Baron Vollrath von Maltzan, Assistant Under-Secretary of State for Trade, Federal Republic of Germany.

discussed. On the first subject Baron von Maltzan stated that Germany was not yet in a position to supply any Canadian requirements. With respect to German exports Mr. Howe suggested that the volume could be increased if the Germans set up branch plants and if they established their own agencies for engineering products.

The talks with officials of the department related for the most part to possible German-Canadian trade talks. Baron von Maltzan noted that we had the UK-Canada Continuing Committee, and that we engaged in trade talks from time to time with France. He declared that he thought there would be some use in a similar arrangement with Germany. While the idea of a Committee as such was discouraged it was suggested that if German trade officials had specific matters which could usefully be raised with the Department of Trade and Commerce — the questions might be submitted in Bonn or in Ottawa — a meeting might be arranged.

A.E. RITCHIE

SECTION D

GRÈCE
GREECE

SUBDIVISION I/SUB-SECTION I

IMPORTATIONS HORS-PROGRAMME
OFF-PROGRAMME IMPORTS

959. DEA/8393-40

L'ambassadeur en Grèce au secrétaire d'État aux Affaires extérieures

Ambassador in Greece to Secretary of State for External Affairs

DESPATCH 132 Athens, March 16, 1953

CONFIDENTIAL

OFF-PROGRAMME IMPORT DECISIONS OF THE GREEK GOVERNMENT

On February 6th, I signed a note to the Foreign Minister on this subject, and we delivered it by hand to the appropriate official of his Ministry. During the past month, I raised the question several times with the Ministry and so did other officers of the Embassy. I was assured, from time to time, that Canada had not intentionally been omitted from the list of countries to be permitted to export to Greece selected items not included in the official import programme. Nevertheless, on March 10th, I received a reply from the Foreign Minister which states that, for various reasons, Canada cannot be listed as a source of supply for these particular products. A copy of my note of February 6th was referred to the Department under cover of our transmittal slip dated February 10th. For convenience, a further copy is now attached, together with a copy of the Foreign Minister's reply dated March 5th.†

2. Richardson[46] has sent a full report to his Department on this subject. A copy of his letter dated March 12th is attached.† I think that, if our experts are convinced that the Greek Government is violating its GATT obligations by discriminating in this manner, it would be a pity if we let them get away with it. As Richardson has suggested, the subject might well be raised in Ottawa if Mr. Markezinis[47] decides to go there in April or May. At the same time, we could, if you agree after consultation with the appropriate Departments in Ottawa, send a further note to the Foreign Minister. An alternative is to raise the subject at the next GATT meetings. I might mention that the official of the Foreign Ministry with whom we have been dealing, was quite convinced that this had nothing to do with GATT which had to do "only with import duties".

G.L. MAGANN

960. DEA/8393-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur en Grèce

Secretary of State for External Affairs to Ambassador in Greece

DESPATCH E-123 Ottawa, April 14, 1953

CONFIDENTIAL

OFF-PROGRAMME IMPORT DECISIONS OF THE GREEK GOVERNMENT

Reference: Your Despatch No. 132 of March 16.

The schedule for off-programme imports has been discussed with other interested Departments and it is considered that this question should be raised again with the Greek Government, indicating that we consider these arrangements a breach of their obligations under the General Agreement on Tariffs and Trade. I should be grateful, therefore, if you would send a further Note requesting that this discrimination against Canadian goods be removed by including Canada in the off-programme import schedule.

2. As the drachma has been devalued since this question was examined here, it may be that some adjustments have been, or will be made in the Greek import arrangements and that the question no longer arises. A preliminary report from the International Monetary Fund indicates that some import restrictions will be removed. I assume therefore that you will review this problem in the light of any changes and, if it appears desirable, consult further with us before submitting the note to the Foreign Ministry.

3. In forwarding a further note, I think the argument might be developed along the following lines. We are aware, of course, that Greece is experiencing serious balance of payments difficulties and that energetic measures are being taken to cor-

---

[46] H.W. Richardson, secrétaire (Commerce), ambassade en Grèce.
H.W. Richardson, Commercial Secretary, Embassy in Greece.

[47] Spyros Markezinis, ministre de la Coordination de la Grèce.
Spyros Markezinis, Minister of Coordination of Greece.

rect the situation. Under the General Agreement on Tariffs and Trade, Greece is entitled to impose discriminatory import restrictions for the purpose of protecting its balance of payments and exchange reserve position. However, we find it difficult to understand why discrimination should take place against Canada in favour of the United States if the purpose of the Greek import restrictions is to deal with exchange difficulties. The currencies of both Canada and the United States are fully convertible and imports from both countries have to be paid for in gold or dollars. Importation from Canada, therefore, is not a greater burden on the exchange position of Greece than imports from the United States. Moreover, with respect to GATT, import restrictions against Canadian goods which are not equally applied to imports from the United States cannot be justified under the balance of payments escape clause. We therefore hope that the Greek Government will review their arrangements and remove the discrimination against Canadian goods in order to keep their import regime in accordance with their obligations under GATT.

4. For your own information, we consider that an important principle has been raised by this particular measure of Greek discrimination which could have serious implications for our exports to other countries which are also experiencing balance of payments difficulties. As far as we know, no other GATT country discriminates between the United States and Canada as sources of supply when imposing import restrictions for balance of payments reasons.

5. In the light of any reply from the Greek Government, we will consider whether it appears desirable to lodge a formal complaint under GATT. In this connection, I should be grateful if you would forward to us a copy of your note for our records as it would probably be desirable to provide GATT with a copy of this note if a formal complaint were lodged.

R.M. MACDONNELL
for Secretary of State
for External Affairs

961. DEA/8393-40

L'ambassadeur en Grèce au secrétaire d'État aux Affaires extérieures

Ambassador in Greece to Secretary of State for External Affairs

DESPATCH 189 Athens, April 23, 1953

RESTRICTED

OFF-PROGRAMME IMPORT DECISIONS OF THE GREEK GOVERNMENT

Reference: Our despatch No. 132 of March 16, 1953.

During a recent conversation which I had with Mr. Markezinis, the Minister of Coordination, I raised this subject and expressed my disappointment that Canadian firms were not even being allowed to bid on a wide range of goods. Mr. Markezinis appeared to be sympathetic and promised to have Mr. Kapsalis, the Minister of Commerce, discuss this question with me.

2. The 100%[48] devaluation of the Greek drachma was announced shortly after my conversation with Mr. Kapsalis. Then, on Saturday, April 18th, the Minister of Commerce telephoned me to say that Canada had now been "added to the list" and thus Canadian firms would be able to bid on certain off-programme imports. Mr. Kapsalis seemed to interpret this move as quite a concession to Canada. It does in fact give a new opportunity to Canadian exporters to try to get their goods into the Greek market, and I thanked Mr. Kapsalis for his action. In my experience, this is the first time a Greek government has moved towards a liberalization of trade, and the first time Canada has been specifically mentioned in a FTB decision.

3. The next day our Commercial Section obtained the details of the new import regulations, which are embodied in the attached Foreign Trade Board Protocol No. 29268.† I am also attaching a copy of Mr. Kniewasser's[49] report of April 19th to the Department of Trade and Commerce, which recommends that interested Canadian firms act quickly to take advantage of this new policy before the Government finds it necessary to take other steps to reduce the flow of dollar imports.†

4. We have just received your despatch No. E-123 of April 14, 1953. In view of the developments mentioned above and in the Commercial Secretary's report, the situation has now changed and the question no longer arises. I do not propose, therefore, to take any further action unless I hear from you to the contrary.

G.L. MAGANN

SUBDIVISION II/SUB-SECTION II

SECOURS AUX SINISTRÉS DU TREMBLEMENT DE TERRE
EARTHQUAKE RELIEF

962. DEA/11855-40

Note du sous-secrétaire d'État par intérim aux Affaires extérieures pour le premier ministre

Memorandum from Acting Under-Secretary of State for External Affairs to Prime Minister

Ottawa, August 18, 1953

EARTHQUAKE DISASTER IN GREECE

I attach for your consideration the messages which have come in from Athens about the situation in the Ionian Islands.† It is clear from these reports and from information received from the Red Cross that the disaster is of major proportions; the dead are estimated at over a 1,000 and the entire population of the Islands is

---

[48] Note marginale:/Marginal note:
50% actually

[49] A.G. Kniewasser, secrétaire adjoint (Commerce), ambassade en Grèce.
A.G. Kniewasser, Assistant Commercial Secretary, Embassy in Greece.

homeless. Greek officials have estimated that homes for 120,000 persons will be required.

Yesterday, the Greek Ambassador called to inform me of the needs of the situation and to enquire about the possibility of Canadian aid. I was able to show him the attached press release which had just been issued, covering the flight of an RCAF North Star to Athens carrying a cargo of Red Cross emergency supplies.[50] The Ambassador expressed his gratitude for this initiative with respect to the immediate needs, but his main concern was with the requirements for rehabilitation and reconstruction. He seemed confident that, as in the past, Canada and the Canadians would be sympathetic to Greek needs.

The Embassy in Athens has made two suggestions. First, that emergency supplies should be despatched by air from our forces in Germany. Secondly, that an immediate offer of aid be made preferably as a credit for the purchase of construction material. From press reports and from what the Ambassador said, I am of the opinion that the emergency situation is pretty well in hand. Having sent an aircraft from here, I doubt the necessity of flying supplies from the Brigade in Germany. The question of what further needs to be done for reconstruction and rehabilitation does, however, arise, and, if we are eventually to do something in this regard, there is much to be said for making an announcement now while the critical nature of the situation is fresh in peoples' minds.

The following factors would appear to be relevant in considering this question.

(a) The Greek Government is well aware of the aid given by Canada in connection with the floods in the United Kingdom and the Low Countries earlier this year.

(b) Publicity will shortly be given to the provision of canned pork and powdered milk for the flood relief in Japan.

(c) Greece is a NATO country which has successfully resisted communist aggression.

(d) In the past, Canada has been generous in providing aid to Greece, and we enjoy a considerable measure of good will there. Failure to help in the present situation might be misunderstood.

(e) The Governments of the United Kingdom, United States, France, Italy, the Netherlands, Yugoslavia and Israel are sending, or have offered, aid.

Against these factors is the consideration that our resources are not unlimited, and that it would be undesirable to get into the position where a disaster anywhere in the world is automatically regarded as a Canadian responsibility.

I understand that funds for Greek relief are being opened in Montreal and Toronto, at least, by private persons and agencies, and that an arrangement may eventually be worked out whereby funds collected would be turned over to the Red Cross for expenditure in accordance with their regulations and procedures. The position in this regard is not yet clear. Premier Frost yesterday telephoned your office to enquire what, if anything, was being done by the Government, and whether, as in

[50] Voir ministère des Affaires extérieures, communiqué de presse n° 56, 17 août 1953.
See Department of External Affairs, Press Release No. 56, August 17, 1953.

the case of the European flood disaster, a national committee was to be established. It would be useful to have your views on the reply to be given to Premier Frost.

In the absence from Ottawa of Mr. Pearson and other Ministers, I would very much appreciate your guidance on the course of action which should be followed. On balance, I am inclined to recommend that the Ambassador in Greece be authorized at once to make an offer of Canadian assistance in general terms for rehabilitation and reconstruction. At the same time, the Greek authorities might be asked to inform us as the situation clarifies of the reconstruction needs which might most appropriately be met from Canada. If this procedure were followed, some time would presumably be gained, and a final decision as to the amount and character of Canadian assistance could probably be left until Cabinet meets early in September.

I am sending a copy of this memorandum to Mr. Pearson in New York. I have spoken with him about the situation and he is of the opinion that it would be appropriate to make some offer of assistance.

C.S.A. RITCHIE

963. DEA/11855-40

Note du secrétaire adjoint du Cabinet

Memorandum by Assistant Secretary to Cabinet

Ottawa, August 24, 1953

RELIEF ASSISTANCE TO GREECE

I received a telephone call on Saturday, August 22 from the Prime Minister concerning relief to Greece.

The Prime Minister thought it would be desirable to have an announcement made by Dr. McCann, as Acting Prime Minister, to the effect that the Prime Minister would recommend to his colleagues at the meeting of the Cabinet on September 9 that a contribution be made by the Canadian government for relief of the disaster in Greece. He said that Mr. Pearson and Mr. Abbott should be informed of this plan to see whether either of them had any objection to it. If so, the announcement should not be made and everything held in abeyance until the meeting of the Cabinet. The announcement should contain no suggestion of what the total amount of assistance might be. If it is desired to state anything as to the character of the assistance, the announcement should say that it would probably take the form of food supplies as well as other materials which the Greek government indicated would be most urgently required.

I told the Prime Minister about the suggestion in Mr. Magann's telegram No. 23 of August 19 that Canadian aid should "begin with" $500,000.† He reiterated that nothing could be said as to amount before the Cabinet meeting.

The Prime Minister added that the suggestion had been made to him that a useful form of assistance might be the contribution of wheat. He had been told that if wheat were given the Greek government might be able to sell it or otherwise set

aside counterpart funds which could be used for construction materials or other direct forms of assistance. He thought that such a possibility might be mentioned to the Ministers most directly concerned before the Cabinet meeting if it appeared to be a likely arrangement.

The above information was given by telephone to Mr. Ritchie, the Acting Under-Secretary of State for External Affairs this morning. He will have arrangements made to clear the Prime Minister's proposed announcement with Mr. Pearson and, if he can be reached, with Mr. Abbott. If the latter cannot be reached, he will have it taken up with the officials in the Department of Finance.

R.G. R[OBERTSON]

964. DEA/11855-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur en Grèce

Secretary of State for External Affairs to Ambassador in Greece

TELEGRAM 36 Ottawa, August 28, 1953

CONFIDENTIAL. IMPORTANT.

EARTHQUAKES

Reference: Your telegram No. 23, August 19.†

Following is text of announcement being made today by Acting Prime Minister:

"The Acting Prime Minister, Dr. McCann, announced today that following on consideration of reports received from the Canadian Embassy in Athens on the recent disastrous earthquakes in the Ionian Islands, the Prime Minister has decided to recommend to his colleagues at the first meeting of the Cabinet in September, the provision of appropriate Canadian assistance to help Greece in the work of rehabilitation and reconstruction.

"The Canadian Ambassador to Greece is today informing the Greek Government of the action proposed by the Prime Minister. The amount and character of any Canadian assistance will be considered in the light of the needs of the situation, as indicated by the Greek authorities, and the supply position in Canada.

"In order to help meet the immediate emergency situation in the Islands, it will be recalled that an RCAF plane loaded with supplies provided by the Canadian Red Cross Society flew to Greece on Monday, August 17."

2. Would be grateful if you would advise Greek Government as above. Presumably you will arrange suitable publicity.

3. Please send us as soon as possible an up-to-date list of the high priority needs which the Greek authorities consider might most appropriately be met from Canada. There is some feeling here that Canadian aid, or at least a good part of it, might appropriately be provided in the form of wheat. This possibility might be discussed informally with the Greek authorities in connection with the requested list of requirements. You will appreciate that gift wheat from Canada would relieve the Greek balance of payments and so free the scarce foreign exchange resources

for the purchase of reconstruction materials. In addition, the proceeds of the sale of this wheat to the Greek population would provide the Government with local currency to meet internal costs of rehabilitation. Please advise soonest.

965. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], September 9, 1953

. . .

EARTHQUAKE RELIEF

7. *The Secretary of State for External Affairs*, referring to the statement by the Acting Prime Minister on August 28th, concerning relief assistance in respect of the recent earthquakes in the Ionian Islands of Greece, recommended, with the concurrence of the Minister of Finance, that $500,000 be made available for aid to Greece.

(Memorandum, Sept. 8, 1953, Secretary of State for External Affairs to Prime Minister)†

8. *The Cabinet* agreed,—

(a) that the Greek government be informed that Canada was prepared to provide aid to Greece up to a value of $500,000;

(b) that the assistance take the form of,

(i) construction materials to a value of $250,000 to whatever specifications were required by the Greek authorities;

(ii) salt cod to a value of $200,000; and,

(iii) evaporated or powdered milk to a value of $50,000;

(c) that the Greek government be asked to assume responsibility for transportation of the supplies from the Canadian seaboard, or, alternatively, that freight costs be met from the $500,000 recommended for relief and the amount of supplies be adjusted accordingly; and,

(d) that a statement be issued to the press on the amount and character of Canadian aid being made available to Greece.

. . .

SECTION E

ITALIE : ÉLECTIONS
ITALY: ELECTIONS

966. DEA/7453-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-194 Washington, January 23, 1953

SECRET

ITALY

In a conversation today about other matters with Hayden Raynor at the State Department, we were told that the State Department is already giving thought to the question of how to influence the forthcoming elections in Italy in favour of Premier de Gasperi. They regard the elections, which are due in the latter part of May or early June, as very important, not only for the future of Italy, but also in the context of the cold war. The prospects they fear are that the extremists on the right as well as on the left wing may gain at the expense of the moderates. Thus the State Department are casting about for any gestures, or specific forms of assistance which might strengthen the position of Premier de Gasperi, and they would certainly welcome anything that we can do or suggest.

2. One matter which is regarded as of particular political importance in Italy is the pressure of excess population. The United States officials recognize the legislative handicaps placed upon United States action by the McCarran Act. However, they are exploring the possibilities of doing something that might have a favourable political effect in Italy. In this connection the State Department recognize what an important contribution Canada has made in accepting nearly 25,000 Italian immigrants in 1951 (State Department figure) and in continuing to admit a substantial number of Italians last year also. Since this form of help has a very direct political impact upon Italian public opinion, the State Department wondered, Raynor said, whether it might be possible for the Canadian Government at an appropriate time to issue some statement which would hold out continuing hopes for Italian immigration into Canada in the future.

3. We hope to be able to furnish you shortly with the background of the State Department's appreciation of the political situation and prospects in Italy.

967. DEA/7453-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-695 Washington, March 19, 1953

SECRET

ITALY

Reference: My messages WA-194 of January 23 and WA-243 of January 30.†

At our weekly meeting with Raynor we were asked whether any comments had been received on the State Department's informal views reported in my messages under reference. At the same time Raynor told us that Mr. Dulles has "just about decided" to recommend to the President that the Administration should initiate legislative proposals in Congress which would provide for the admission of an extra quota of approximately two hundred thousand persons from Europe, including not only Italians, but also refugees.

968. DEA/939-F-2-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-507 Ottawa, March 21, 1953

SECRET

ELECTIONS IN ITALY — IMMIGRATION ASPECT

Reference: Your WA-695 of March 19.

1. The questions raised by Raynor have been under consideration for some time and have been the subject of an exchange of correspondence between Mr. Harris and myself. Our general view is that, having admitted about 24,000 and 21,000 Italians in 1951 and 1952 respectively (latest available United States figure nearly 9,000 for the year ended June 1951), and having relaxed our regulations to process larger groups of Italian close relatives, we are doing our full share in this matter. I feel, however, that more might be done in the way of public relations to make it clear to the Italians that, as an ally and partner we are showing a practical and sympathetic interest in their problems. Public relations work in this field is extremely delicate, however, as it obviously must be conducted in such a way as to avoid raising false hopes or causing an impossible avalanche of applications to our Immigration offices in Italy. A basic working document has been sent to Mr. Har-

ris, and it is hoped that an agreed information programme will be worked out shortly following discussions at the official level.

2. We would see no objection to your telling Raynor that, while we do not see our way clear to make future commitments with respect to Italian immigration, we have been giving careful consideration for some time to the question of undertaking a more active information programme designed to make more widely known the extent of our immigration activities and, more broadly, to attempt to leave the impression that our co-operation under NATO is a real and beneficial partnership.

969. DEA/50182-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur en Italie

Secretary of State for External Affairs to Ambassador in Italy

TELEGRAM 68 Ottawa, May 7, 1953

CONFIDENTIAL

PRE-ELECTION INFORMATION WORK

1. I have been considering what we might do indirectly to help the moderate parties in the forthcoming Italian elections. While it would not seem desirable to attempt any specific official gesture, I consider that you might give special emphasis to your information activities for the next few weeks. It would be my hope that we might to some extent counter the Communist and Nenni-Socialist propaganda that Italy is the unloved and neglected child of NATO by emphasizing Canadian friendship with Italy and illustrating how NATO is developing into a true partnership involving a community of shared interests.

Substance of Information Programme

2. It is suggested that your information activities should cover the broad field of Italo-Canadian co-operation. Reference might, for instance, be made to the proposed cultural agreement and establishment of an Italian-Canadian foundation; the growing and mutually beneficial trade relations between Italy and Canada; and our co-operation within the framework of NATO, including, perhaps, appropriate allusions to the Italian pilots training in Canada, and Canadian mutual aid to Italy. None of these questions, I think, presents any particular difficulty, and you are no doubt making use of these points in your day-to-day information activities.

3. In the period immediately prior to the election, however, we think it might be desirable as well to broach in a cautious way the delicate question of Italian emigration to Canada, since this is a subject in which many Italians are interested and, in our view, is one of the best ways to give the lie to Communist charges that Italy's allies have no sympathetic interest in her problem of overpopulation. We realize that it will be difficult to speak on this subject without awakening false hope among Italians or causing embarrassment to our Immigration authorities in Italy. Care should therefore be taken to present this question in a realistic way, without painting an overly optimistic picture either of conditions here or of the prospects

open to individual Italians to come forward to this country. The following suggestions have been worked out in co-operation with Immigration authorities here:

(a) Of 260,000 persons in Canada of Italian origin 69,000 have come forward since the end of World War II, including some 24,000 in 1951 and 21,000 in 1952. Canada is also continuing to take Italian immigrants steadily.

(b) Nevertheless, there is already a backlog of 19,000 applicants from Italy, so that it is doubtful if an Italian applying today could hope to come forward to Canada for some months in the future. It is the policy of the Canadian Government to give priority to the reunion of families, and most Italians now coming forward to Canada are close relatives of Italians or Italo-Canadians here for whom application has been made.

(c) Italians, on the whole, have fared well in Canada and have contributed to the economic and social enrichment of Canadian life. Nevertheless, the severe climate perhaps makes this country less attractive than other parts of the American continent, especially to Southern Italians. The Italian immigrant coming to Canada faces hard work — Canada is a country of hard work — and also probably has to combat language difficulties and certain feelings of loneliness for Italy. The Canadian Government as well as the Canadian people as a whole are anxious however that the Italian immigrant, like other immigrants to this country, should feel at home here and become happily adjusted to our way of life.

(d) *Conclusion.* Italians have been the third largest group of immigrants coming to Canada since World War II. As a percentage of the 1945 Italo-Canadian population Italian immigration to Canada has been greater than that of any other country. The movement of Italians to Canada is a good example of the close co-operation of our two countries within the NATO framework. Canada can only absorb a certain number of new people annually, and it is our policy to be fair to all those in need of the opportunities which our country offers, including refugees and those made homeless by storm or flood.

Form of Presentation

4. I leave to your best judgment the approach to be taken in the presentation of the suggested information programme. Because of its delicate nature, you may wish to discuss the matter with de Gasperi or perhaps another Minister. Both Immigration and ourselves consider it important to give a fundamentally honest presentation of the immigration problem according to the above-suggested formula if this subject is tackled at all. Should you think this approach will not in fact help to discredit Communist propaganda, please let us know. Immigration is informing Knowles[51] through its own channels, but you may wish to discuss the question with him. We had thought that a ceremony, with press and radio coverage on the occasion of the sailing of a ship to Canada with Italian immigrants might be a suitable occasion for a speech on the above lines, although Immigration authorities here fear that this might appear promotional. In any case we would be glad if occasions could be found in the next few weeks before the elections for you to speak on Italo-Canadian

[51] J.M. Knowles, attaché, ambassade en Italie.
J.M. Knowles, Attaché, Embassy in Italy.

co-operation. Press and radio coverage would of course be highly desirable. We are making available a copy of this telegram to CBC-IS[52] for their broadcasts from here.

970. DEA/50182-40

L'ambassadeur en Italie au secrétaire d'État aux Affaires extérieures

Ambassador in Italy to Secretary of State for External Affairs

TELEGRAM 61 Rome, May 12, 1953

CONFIDENTIAL

PRE-ELECTION ACTIVITIES

Reference: Your telegram No. 68 of May 6th.

1. Have given careful thought to important suggestions made in your telegram. I think it must have been based primarily on State Department's appreciation of election prospects here. In my report† I have, I trust, shown that I believe centre group of parties has a fair chance of obtaining a majority. Under the electoral system any majority, however small, is sufficient for the Chamber; this is not, repeat not, so for the Senate, where the outlook for the Government is less certain.

2. It has not, repeat not, seemed to me that the left wing has mainly contended that Italy is an "unloved and neglected child of NATO". Rather, it has concentrated on the old Communist charges that NATO is preparing for aggressive war and that Italy is too much wrapped-up in it, which is a different thing.

3. I would hesitate to discuss anything that I might do to help with de Gasperi or other Ministers. I am sure, for one thing, that they would let me know in one way or another that they were quite capable of handling the situation and that even subtle form of Canadian "intervention" would not be desirable and indeed might prove double edged.

4. Because of the enormous flood of political oratory and make-up of Italian daily papers, it would be difficult to secure any significant reporting of speech by me on Italo-Canadian relations unless it contained some real news. A few nice things can always be said about our mutual aid, but this does not assist in dealing with the left wing. The Americans, I observe, do not publicize much their gifts of military equipment but emphasize their off-shore purchases which assist Italian industry and labour. Nothing of substance can be said on a cultural agreement since we have not been ready yet to put forward the proposal. In any event, this is primarily in Canada's interest and being paid for by Italy. The unbalance of trade is such that it is difficult to say anything encouraging on the subject. The most interesting but difficult and delicate topic remains immigration. Any balanced statement on this, such as you suggest, can contain nothing very new or encouraging to the Italians. If at some point I should say something encouraging and worthwhile, this

[52] Canadian Broadcasting Corporation — International Service.

would very likely be torn out of the context and be source of embarrassment to our Immigration Office here and possibly even to the Italian authorities, particularly after the elections. Immigration, as such, has not, repeat not, so far been an issue in the elections. Unemployment is, of course, a major issue and thus the possible means of solving it. In dealing with the left wing on this the government must concentrate on domestic economic policy as its main measure to reduce unemployment.

5. Before receiving your telegram we had in fact been discussing the immigration aspect of it with United States Embassy and an officer of the United States Delegation to NATO who is concerned with labour and manpower questions. They told us they were giving much thought to the possibility of their new Ambassador or Italian authorities saying something further, prior to the elections, on Eisenhower's message to Congress, released April 22, for an emergency immigration programme. They have not, repeat not, yet reached any decision on this. They admitted the Eisenhower message had not, repeat not, been taken up by the Italian authorities. We have noted that it was covered fairly well in overseas despatches but has not been the subject of editorials or any campaign speeches. Indirectly we learn that Parliamentary Under-Secretary for Emigration explained they would not, repeat not, use the Eisenhower proposal because of the great uncertainty of Congressional action and because government here is confident of election outcome.

6. In preparing this reply I have consulted my Commercial, Military and Immigration Officers, who are generally agreed.

SECTION F

PAYS-BAS : PRÊT À L'INDONÉSIE
THE NETHERLANDS: LOAN TO INDONESIA

971. DEA/8638-40

Le secrétaire d'État aux Affaires extérieures au ministre des Finances

Secretary of State for External Affairs to Minister of Finance

Ottawa, February 18, 1953

My dear Colleague,

You will recall that consideration was given at the meeting of Cabinet on January 22nd to a Review of Canadian Government External Loans, Credits, Claims and Guarantees; and that with respect to the loan to Indonesia, it was decided that the Netherlands should be informed that a request for release from their guarantee would not be granted.[53]

Since then I have examined the circumstances in which we originally obtained this commitment from the Netherlands. After receiving their assurance that they

[53] Voir les documents 1015-1016./See Documents 1015-6.

were prepared to assume this obligation, a formal request was made for the guarantee. Throughout the preliminary discussions, and also in the formal request, we did not avoid the implication that if we got a guarantee that was legally sound from a successor government which was constitutionally established and reasonably settled, we should find it acceptable. We did have in mind political and economic considerations about the situation in Indonesia, but it would be difficult, of course, to raise such considerations in replying to the Dutch. Moreover, in view of our recent proposal to Indonesia for the exchange of diplomatic missions, to question the good faith and capacity of the Indonesian Government to repay a small short-term loan would, I feel, be most unfortunate.

We should also consider how a refusal on our part to release the Netherlands from the guarantee would react on the Dutch Government. In the face of the current crisis in the Netherlands occasioned by the disastrous floods, such Canadian assistance as seemed appropriate was offered by the Prime Minister in a statement in the House of Commons the other day. To now inform the Netherlands Government that we are obliged to hold them to this guarantee, for which there is no longer a constitutional justification, might seem somewhat inconsistent with this policy of aid to one of our NATO allies. I feel that the Dutch Government, though they might well accept without comment our refusal to release them from the guarantee, might read into this action an unwarranted indication of a lack of understanding on our part. Considering the apparent willingness of the United States to meet a Dutch request which is rather similar in certain respects although it may differ in others, our action would tend to be put further in an unfavourable light.

I am writing this letter to suggest that it would be advisable to bring these considerations to the attention of Cabinet before a final decision is made whether to release the Netherlands from their guarantee. I should be very pleased, therefore, if you would consider the possibility of re-opening this question in Cabinet.

Yours sincerely,

L.B. Pearson

972. DEA/8638-40

Le ministre des Finances au secrétaire d'État aux Affaires extérieures

Minister of Finance to Secretary of State for External Affairs

Ottawa, February 24, 1953

My dear Colleague,

I have your letter of February 18th in which you suggest that the possibility be considered of reopening in Cabinet the question of the release of the Netherlands from its guarantee of the loan to the Bank for the Netherlands Indies.

The joint request of the Governments of the Netherlands and Indonesia that the Netherlands be released from its guarantee has been made on the grounds that the guarantee no longer fits in with the present relationship between these two coun-

tries. I have to point out that the guarantee was in fact requested by us in anticipation of the changed relationship between the two countries. This was, I feel, fully understood at the time by all concerned. While we on our part did not entirely avoid the implication that if we got a satisfactory guarantee from a new government we should accept it in lieu of the Netherlands' guarantee, it was made clear to Netherlands representatives that acceptability did not refer to mere technical legal acceptability, but was intended to have regard to political and economic considerations as well.

I do not feel that an undertaking by the Government of Indonesia alone could at present be considered wholly satisfactory from the financial point of view, and one which would be consistent with the circumstances and terms under which continuation of the loan was authorized. Furthermore, the guarantee given by the Netherlands Government was subsequently taken into account in certain intergovernmental settlements with that government and in the final determination of the terms of the loan to Indonesia.

It was with these important circumstances in mind that the request for release of the guarantee has been carefully reviewed by this Department. In taking into consideration those factors bearing directly on the nature and security of the loan, I can only come to the conclusion indicated in the recent memorandum to Cabinet that it would not be prudent from a financial point of view to relieve the Netherlands of its guarantee.

It may be, however, that there are in our general relations with the Netherlands and Indonesia some broader and overriding considerations, or that the relationship between the Netherlands and Indonesia is in some important respects substantially different from what could have been anticipated at the time the guarantee was given. If you feel that there are important considerations of this nature, I agree that they should be brought to the attention of Cabinet and would, of course, have no objections to your doing so before you reply to the request of the Governments of the Netherlands and Indonesia.

Yours very truly,

D.C. ABBOTT

973. PCO

Note du secrétaire d'État aux Affaires extérieures pour le Cabinet

Memorandum from Secretary of State for External Affairs to Cabinet

SECRET Ottawa, April 11, 1953

NETHERLANDS GUARANTEE OF INDONESIAN LOAN

At the meeting of Cabinet on January 22 the position with respect to outstanding external loans, credits, claims and guarantees was reviewed and, in the case of the Indonesian loan, the conclusion was reached that the Netherlands Government

should not be released from the guarantee obligation assumed in 1945. Particularly in view of the situation created by the floods in the Netherlands, a reply to the Netherlands on these lines was deferred. It is the purpose of this memorandum to suggest that, before the Netherlands authorities are informed of the Canadian Government's attitude, Cabinet might wish to reconsider the question in the light of certain important political considerations.

2. It will be recalled that, according to the information received from the Netherlands Embassy, any formal request for a release would be made jointly by the Netherlands and Indonesia and that such a request would be based on the fact that Indonesia had become a sovereign state. In this connection it will be appreciated that, whatever the history of this particular loan, the guaranteeing by one independent country of the financial obligations of another independent state creates an unusual, if not unique, situation. It is this situation, with its serious political implications, which presumably accounts for the proposed joint request and which gives rise to the considerations set forth in this memorandum.

3. If the Netherlands guarantee were to be retained and if difficulties were to arise over payment by Indonesia, consideration would have to be given by the Canadian Government to invoking the guarantee. Should the guarantee be enforced, the Netherlands would be faced with the alternative of either endeavouring to bring pressure to bear on Indonesia to make the payment or of itself meeting the financial obligation.

4. It is doubtful whether the first alternative would in fact be politically practicable. Indonesia, possessing the normal sensitivities of a new nation-state, would clearly resent the Dutch being used as our bailiff. Our new diplomatic mission in Djakarta would be off on the wrong foot, and the diplomatic opportunities open to us as a "non-colonial" Western power might thereby be prejudiced. On the other hand, tangible evidence of Canada's faith in the integrity of the Indonesian Government might greatly strengthen Canada's prestige in Indonesia and put our new Ambassador in a favourable position to carry out his duties on both the trade and political side. In any event, the mere application of such pressure by the Dutch would exacerbate the already uncertain relations between Holland and Indonesia, to the detriment of the broader political interests of Canada and of the West in the South-east Asian theatre.

5. The second alternative would likewise appear unsatisfactory to all concerned. The exaction of payment from the Netherlands in its present financial condition would be inconsistent with our emphasis on economic co-operation in NATO, our generosity in connection with the recent floods, our continuing contributions of mutual aid and our financial assistance to Holland immediately following the war. Such a policy would be embarrassing to the Netherlands authorities, who doubtless would be hard put to explain why they were making payment for a country that had secured its independence some time before. Finally, even the Indonesians would probably not wish to see their debt taken over, as this would appear to cast doubt on their sovereign status.

6. If neither of these alternative courses is envisaged, and if in fact it is not intended that the Netherlands Government be required to implement the guarantee, it

would seem desirable to release that Government from its obligation. Such a release would be a gesture of goodwill consistent with our present policy towards Holland and unlikely to increase the risks to the Canadian Government beyond those already existing in any event. On the other hand, a refusal to grant such a release would be embarrassing to the Dutch, and would unnecessarily offend the Indonesian Government in as much as it would doubtless be interpreted as reflecting on their capacity and even on their good faith. Such an attitude on our part might appear particularly unwarranted to the Indonesians in view of their satisfactory record to date in the payment of instalments on the loan. Finally, in view of the peculiar aspects of this case, it would not appear that a release of the Netherlands Government from its obligation would create a precedent which could have implications for any other outstanding loans, credits, claims or guarantees.

Recommendation

The Secretary of State for External Affairs recommends that, in the light of the additional considerations outlined above, the Cabinet reconsider its earlier conclusion and approve the granting to the Netherlands Government of a release from its guarantee obligation in the event that a joint request is received from it and the Indonesian Government the terms of which would specify that the Government of Indonesia assumed full responsibility for the loan and for the schedule of payments on interest and capital as outlined in the agreement of October 9, 1945.

L.B. PEARSON

974. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], April 17, 1953

. . .

CANADIAN LOAN TO INDONESIA; RELEASE OF NETHERLANDS GUARANTEE

17. *The Secretary of State for External Affairs*, referring to discussion at the meeting of January 22nd, 1953, submitted a recommendation that, in view of recent developments, the Cabinet reconsider its earlier decision and approve the granting to the Netherlands government of a release of the guarantee it assumed in 1945 on a Canadian loan to Indonesia in the event that a joint request was received from the Netherlands and Indonesian governments, the terms of which would specify that the government of Indonesia assumed full responsibility for the loan and for the schedule of payments on interest and capital as outlined in the agreement of October 9th, 1945.

An explanatory memorandum had been circulated.

(Minister's memorandum, April 11, 1953 — Cab. Doc. 110-53)

18. *In the course of discussion* it was argued, on the one hand,—

(a) that, since its establishment as an independent state, Indonesia had given encouraging signs of continuing stability and had, in any event, paid all the installments on the loan, both on capital and on interest;

(b) that, in view of the independent status now enjoyed by Indonesia, it would be politically difficult for the Netherlands government to exert any pressure on Indonesia if the latter should, at any time, default on its payments; and,

(c) that, if the Netherlands government were now to be released from its guarantee, this would be evidence of Canada's faith in the integrity of the Indonesian government and would greatly strengthen Canada's prestige in Indonesia and place our recently appointed Ambassador in a better position to carry out his duties on both the trade and political side.

On the other hand it was argued,—

(a) that the fact that Indonesia would not wish to be placed in the humiliating position of having the Netherlands make good any Indonesian default was perhaps the best guarantee Canada had that all the installments would in fact continue to be met on time by the Indonesian government; and,

(b) that, if the Netherlands government were now to be released from its guarantee, the Canadian public would presumably react unfavourably if at some future date there was in fact default on any installment due.

19. *The Cabinet* agreed that no steps be taken at this time to release the Netherlands government from its October, 1945, guarantee of the Canadian loan to Indonesia, on the understanding that if the Canadian Ambassador to Indonesia found, after experience, that such a release would be beneficial to Canadian interests, the matter would be reconsidered by Cabinet.

. . .

975. DEA/8638-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour la Direction économique

Memorandum from Assistant Under-Secretary of State for External Affairs to Economic Division

SECRET Ottawa, May 14, 1953

NETHERLANDS GUARANTEE ON INDONESIAN LOAN

On May 13, I asked Mr. van Schreven[54] to call and told him that the Cabinet had reviewed this question and felt unable to release the Netherlands Government from its guarantee.

He asked at once whether the Government, in reaching this decision, had been aware that the United States Government had adopted a different policy. I told him that the Government had been aware of the United States decision but felt that, as

[54] M.J. van Schreven, conseiller, ambassade des Pays-Bas.
M.J. van Schreven, Counsellor, Embassy of the Netherlands.

the United States Surplus Property Agreement was made some time before the Canadian Loan Agreement, the two situations were not entirely parallel.

I said that I assumed that since the approach of the Netherlands Embassy had been informal they would not wish to have a formal reply. Mr. van Schreven said that this raised the question of what they should do about the letter signed by Netherlands and Indonesian Ministers, copies of which had been given to us informally; his Government might wish to present this formally. I said that while of course it was for the Netherlands Government to decide what action it should take, it was my own view that a formal request and a formal refusal now might make it more difficult to have the question reconsidered at a later date. While I was not in a position to hold out any hope of later reconsideration, the possibility ought not to be ruled out entirely. Speaking purely personally I said that if the Indonesians felt strongly on the question, the presence of a Canadian Embassy in Djakarta might lead them to make representations at some stage.

Mr. van Schreven did not indicate what action he would recommend but I had the impression that he accepted the view that an exchange of documents at this stage would not be in the interests of his Government.

R.M. M[ACDONNELL]

976. DEA/8638-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour la Direction économique

Memorandum from Assistant Under-Secretary of State for External Affairs to Economic Division

SECRET Ottawa, May 29, 1953

(Through Acting Under-Secretary)

INDONESIAN LOAN

A few days after my talk with Mr. van Schreven, I think on May 20, the Netherlands Ambassador called on the Acting Under-Secretary and I took part in the discussion. The Ambassador was at pains to point out that he was in a very difficult position. His Government attached considerable importance to the matter and he was under firm instructions to present the letter signed by Netherlands and Indonesian Ministers. He was not at all sure that he could get these instructions changed.

2. Mr. Ritchie and I repeated that while this was a matter on which the Netherlands Government would have to make its own decision, we felt that a formal presentation of the letter and a formal rejection might make it more difficult to have the question reconsidered at a later date. I think Mr. Lovink was a trifle reluctant to let us off this hook since he imagined (without realizing the drafting capabilities of this Department) that in a written reply we would have to spell out the reasons for rejection.

3. It was intimated to the Ambassador as it had been to Mr. van Schreven that while officials had no authority to hold out hope of reconsideration, it nevertheless seemed possible that this might occur if the Indonesians felt sufficiently strongly. Mr. Lovink reacted unfavourably to this idea at first. He seemed to feel that this was a reflection on him and his Government since we might be prepared to do something for the Indonesians which we were not prepared to do for the Netherlands. In fact, it took some time to calm him down. Mr. Ritchie pacified him by saying that while this approach might not be altogether logical we were faced with a practical situation and had to think in terms of practical solutions. After a rather tedious series of circular explorations we attempted to sum up the position by pointing out to the Ambassador that:

(a) no reconsideration seemed at all likely for some months at least;

(b) the only new factor which might cause favourable reconsideration would be an indication of strong feeling on the part of the Indonesians.

4. We politely declined a suggestion of the Ambassador's that we might like to help him draft a report of this interview to his Government. I think he was in the end convinced that it would do no good to present the letter and that his Government should consider favourably the possibility of the Indonesians making representations to the Canadian Ambassador. What the Netherlands Government will think is another matter.

R.M. M[ACDONNELL]

SECTION G

TURQUIE : RELATIONS COMMERCIALES
TURKEY: TRADE RELATIONS

977. DEA/9371-40

L'ambassadeur en Turquie
au sous-secrétaire d'État aux Affaires extérieures

Ambassador in Turkey
to Under-Secretary of State for External Affairs

LETTER NO. 505 Ankara, October 5, 1953

CONFIDENTIAL

TURKISH COMMERCIAL REPRESENTATION IN CANADA

We learned informally during a conversation with Munis Ozansöy, Deputy Minister of Economy and Commerce and former Director of Foreign Trade, that it is the Turkish Government's intention to reopen its Commercial Attaché's office in Canada in the spring of 1954. Mr. Ozansöy added that he hoped that Canada would find it possible to reopen its trade office in Turkey simultaneously.

2. You will recall that the Commercial representatives on the staff of the Turkish Embassy in Ottawa were withdrawn in the spring of 1952 and not replaced. Although the closing of our Commercial Secretary's office in Istanbul was not related to the Turkish action in Ottawa, I believe the Turkish Government have always regarded our action as partly retaliatory.

3. Actually, stories have reached me to the effect that the reappointment of a Canadian Commercial Secretary to Turkey is already being considered in Ottawa, but I am treating these stories as rumours only, as I am sure I would have been informed if the question was under discussion.

H.O. MORAN

978. DEA/9371-40

Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassade en Turquie

Under-Secretary of State for External Affairs
to Embassy in Turkey

LETTER NO. E-398 Ottawa, November 19, 1953

CONFIDENTIAL

CANADA-TURKEY TRADE RELATIONS

Reference: Your letter No. 433 of August 12† and your letter No. 505 of October 5.

The Department of Trade and Commerce have re-examined the situation with respect to the possibility of an increase in Turkish imports into Canada. In doing so, they have commented that, although previous studies on the promotion of Turkish imports have not produced important results, they will be glad to lend any possible departmental support to new Turkish trade promotional efforts. As you are aware, the limited range of Turkish products available and their inability to compete in the Canadian market have prevented any substantial increase in Turkish exports to Canada. You will appreciate that the Department of Trade and Commerce have been in touch with the trade here on previous occasions and that they must avoid exhorting the trade to embark on ventures of doubtful utility.

2. I attach a commentary prepared by the Department of Trade and Commerce on several of the principal Turkish exports of interest to Canadian importers which may be of some assistance to you in your conversations with Turkish officials and businessmen.†

3. The Department of Trade and Commerce have also reviewed the circumstances leading up to the withdrawal of our Trade Commissioner from Istanbul, and I am quoting below from their letter. You will note their observations about re-opening a trade office in Turkey:

"It may be useful also to review the reason leading up to the withdrawal of our Trade Commissioner from Istanbul.[55] At the time of the opening of our office in Turkey, it was felt that Turkey would, in the post-war years, prove a good market for industrial, mining and transportation equipment, agricultural implements, chemical and pharmaceutical products, which formerly came from Europe but which during 1946-47 were being ordered from the United Kingdom and the North American Continent. Our own exports in 1947 had not only shown a substantial increase over pre-war years but also showed a great variety, covering a large range of items which had not previously been exported to Turkey. All these factors seemed to indicate that the time was ripe to open an office in Istanbul, where it appeared that there would be a potential market for many lines of Canadian manufactured goods. Furthermore, there had been a substantial increase in enquiries from Turkish importers, both through our Athens office and through the Canadian Embassy which had been established recently in Ankara. Finally, we had just signed a most-favoured-nation trade agreement. On the basis of this hopeful situation, an office was opened in January 1949. Unfortunately, our hopes have not been borne out.

"True enough in 1951 our exports reached $2,900,000. and rose to $4,800,000 in 1952 based to quite a substantial extent on Mutual Security funds diverted to Canada. It seemed evident, however, that commencing in 1952 and for succeeding years there would be a substantial decline in US economic aid to Turkey. This indeed has proved to be correct. Whereas in 1947 there was a wide range of Canadian goods for which Turkey appeared to be a promising potential market as for example, newsprint, motor cars, livestock, packinghouse products, construction materials, woodpulp, chemicals, railway equipment, mining machinery, etc. this trade, because of lack of funds and Turkey's lack of dollar earning ability never materialized to any important extent. We, therefore, reluctantly came to the conclusion that the outlook for any substantial development of Canadian exports to Turkey held out little promise and that as a result the personnel we had in Turkey could be put to much more effective use in another area. The continued shortage of dollars in Turkey as well as the effective work which our Trade Commissioner has been able to do in Beirut has confirmed our views. It may be, of course, that the situation will again change in Turkey and warrant our re-opening our office there. As you have already been informed, when that time arrives, we will always be prepared to re-examine the situation and if we can be convinced of the importance and usefulness of having once again an office in Turkey we will not hesitate to take that step."

A.E. RITCHIE
for Under-Secretary of State
for External Affairs

---

[55] Ceci fut fait en 1952.
This was done in 1952.

979. DEA/9371-40

L'ambassadeur en Turquie
au sous-secrétaire d'État aux Affaires extérieures

Ambassador in Turkey
to Under-Secretary of State for External Affairs

LETTER NO. 631 Ankara, December 17, 1953

CONFIDENTIAL

CANADA-TURKEY TRADE RELATIONS

Reference: Your letter No. E-398 dated November 19, 1953.

I was pleased to receive your letter No. E-398 dated November 19 containing information relating to some of the questions which I raised in my despatch No. 233 of April 11, 1953.† While its enclosure, a memorandum prepared by the Department of Trade and Commerce, provides little information on which any positive advance in Canadian-Turkish trade relations could be based, it does make available to us background material which may enable us in our discussions with the Turkish authorities to create the impression that some thought is being given to the Turkish position and that the prospects for revival of trade between our two countries at some future date has not been completely abandoned on our side. I gather from the memorandum on most of the items which represent principal Turkish exports no market soundings or general surveys have been carried out by the Department of Trade and Commerce in recent years. For example, under the heading "Turkish Tobacco," the memorandum states: "Several years ago, the Department of Trade and Commerce wrote to all the cigarette manufacturers" and it then summarizes the answers which were received to that enquiry. I know that in October 1952 Rudolf Van der Walde of Montreal was in Ottawa for a two-day visit and raised with the Deputy Minister of Trade and Commerce the question of the importation of Turkish tobacco. As I was about to leave for Turkey, Mr. Bull tried to arrange a meeting between Van der Walde and me, but our respective schedules did not make it possible for us to get together at that time. Whether Van der Walde made any examination of the Canadian market in respect of Turkish tobacco following his Ottawa visit I do not know.

2. Perhaps it would be appropriate if I said another word concerning commercial representation in Turkey. The excerpt which you have passed to me on this subject from the letter directed to you by the Department of Trade and Commerce explains in some detail the reasons why the Istanbul office was closed and ends with the statement that the Department of Trade and Commerce will be prepared to re-examine the situation when they are convinced of the importance and usefulness of having once again an office in this country. This indicates that the impression persists that I have been proposing a trade representative be permanently stationed in this country. In this connection I will quote the following passage from my letter No. 38 of January 15, 1953:

"I had suggested to the Deputy Minister of Trade and Commerce that there would be advantages in continuing the accreditation of G.F.G. Hughes, who was recently moved from Istanbul to Beirut. He has had four years' experience of Turkey, has the necessary contacts in both Ankara and Istanbul, is well-known and respected by those businessmen and officials here who are of importance to Canada, and he is not substantially farther away from this country than are the two officials in Athens. Certainly, the accreditation of an official stationed in Beirut would be less offensive to the Turks than one resident in Athens."

Thus you will see that I accept fully the practice of double accreditation in the case of a trade representative for Turkey, and I am only suggesting that, in order to avoid injuring Turkish susceptibilities, the base of operations for the individual who is to be accredited to this country should not be in Greece. I suggested that the Trade and Commerce man resident in Beirut be their representative in Turkey partly because he possesses a background knowledge of the trading principles and personalities of Turkey and partly because he is conveniently located — Beirut being less than three hours by air from Ankara.

3. In my opinion, it would not be easy to defend the appointment of a Commercial Secretary whose responsibility was exclusively Turkey. In a personal letter to Mr. Hughes dated December 1, I said:

"As long as the present dollar deficiency continues, I do not think that the potential volume of trade between our two countries would justify the expense of a commercial representative stationed in this country."

It seems evident from your letter under reply that I have not made my attitude clear on this subject, and I would be grateful if, on some opportunity, you could explain to Mr. English in the Department of Trade and Commerce that I am not advocating the appointment of a Trade and Commerce man solely for Turkey — in fact, in present circumstances I would oppose such a proposal — but I do think that for political reasons, which are well-known to you, we have not adopted the wisest course in selecting for accreditation to the Turkish Government a commercial representative who is resident in Athens, Greece. That represented my view before I came here, and my 12 months in Turkey have served only to reinforce it.

4. A further conclusion which I have reached during this past year is that, if we hope to keep fully abreast of commercial events or to participate even in a small way in the economic development of this country, there must be more frequent visits to Ankara by our commercial representative and closer contacts must be developed between him and Turkish businessmen and trade authorities. I have now been in Turkey for 12 months and during that time our accredited commercial representative has spent five working days in Ankara and two at the Izmir Trade Fair. This situation is due entirely to the heavy burden of work which he is attempting to carry at the present time, and perhaps if our commercial representative in Beirut was accredited to Ankara, there might be a more equitable distribution of the workload. In any event, we will continue to do our best here in the economic and commercial field and, while we fall far short of being experts, we have devoted a con-

siderable amount of time to these problems in past months, and I think I can assert with appropriate modesty that there have been some useful results to show for it.

H.O. MORAN

3[e] PARTIE/PART 3

MOYEN-ORIENT
MIDDLE EAST

SECTION A

ÉTABLISSEMENT DE LA RÉPUBLIQUE D'ÉGYPTE
ESTABLISHMENT OF REPUBLIC OF EGYPT

980. DEA/8589-40

Le consul général d'Égypte
au secrétaire d'État aux Affaires extérieures

Consul General of Egypt
to Secretary of State for External Affairs

NOTE NO. 281 Ottawa, June 19, 1953

Monsieur le Ministre,

I have the honour to inform You that on the 18th June, 1953, and in the name of the Egyptian People, the Council of the Revolution announced the abrogation of the Monarchy in Egypt and the end of the rule of the dynasty of Mohammed Ali.

The Council, simultaneously, announced the setting up of THE REPUBLIC OF EGYPT, and the assumption of the Presidency by President General Mohammed Naguib, Head of the Revolution, who also retains his present powers under the Temporary Constitution.

I have etc.

H.M. EL-HAKEEM

981. DEA/8589-40

Le sous-secrétaire d'État aux Affaires extérieures
au consul général d'Égypte

Under-Secretary of State for External Affairs
to Consul General of Egypt

NOTE NO. 59 Ottawa, June 25, 1953

I have the honour to acknowledge receipt of your Note No. 281 of June 19, 1953 addressed to the Honourable Lester B. Pearson, Secretary of State for External Affairs, in which you informed him that on June 18, 1953 the Council of the Revolu-

tion, in the name of the Egyptian People, announced the abrogation of the Monarchy in Egypt and the end of the rule of the dynasty of Mohammed Ali, and simultaneously announced the setting up of the Republic of Egypt and the assumption of the Presidency by General Mohammed Naguib who will retain his present powers under the Temporary Constitution.

It is the desire of the Government of Canada that the friendly relations which have always existed between Canada and Egypt will continue to be maintained on the same cordial basis.

I have etc.

L.D. WILGRESS

SECTION B

ISRAËL
ISRAEL

SUBDIVISION I/SUB-SECTION I

EXPORTATION D'ARMES
EXPORT OF ARMS

982. DEA/50000-A-40

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, January 19, 1953

EXPORT OF ARMS TO THE MIDDLE EAST

In discussing with you today the export of arms to the Middle East the deputation from the United Zionist Council of Canada is likely to follow the general line taken by Mr. Sharett on December 28 in a statement to press representatives in Israel and by the American Zionist Council on December 31 in a letter to Mr. Acheson. We have not seen the text of the Israeli note delivered to the United Kingdom Government on January 7 or the text of remarks to newspaper men in Washington said to have been made by Ambassador Eban on January 14, but we understand the arguments put forward have been as follows:

(a) Although equal numbers of jet aircraft have been offered by the United Kingdom Government to Israel and the Arab states, Israel will have to plan to build up its air strength to meet the combined strength of the Arab states.

(b) An arms race provoked in this way would defeat one of the purposes of the three-power declaration of May 25, 1950 (see para. 3 below) and would play directly into the hands of the Soviet Union by delaying economic and social development of the Middle East.

(c) If Arab armaments are unduly increased before the Arab states make peace with Israel, open warfare may be substituted for the present economic boycott, which already involves interference with the delivery of oil to Israel by pipeline or tanker and underlies the efforts of the Arab states to prevent the Bonn government from making material reparation to Israel.

(d) Arms should be denied to the Arab states until they undertake to cooperate in the defence of the Middle East as a whole and show a greater disposition to make peace with Israel, as suggested in the eight-power draft resolution approved by the Ad Hoc Political Committee of the General Assembly on December 11, 1952.

Attitudes of the United States and United Kingdom

2. After the Security Council lifted its ban on arms shipments to the Middle East in August 1949, the United Kingdom, United States and France discussed their responsibilities in this connection and on May 25, 1950 issued a joint declaration that they opposed the development of an arms race, that export of arms to the area would nevertheless be permitted where it was designed to assure the internal security and legitimate self-defence of the importing state or to enable it to play its part in the defence of the Middle East as a whole. The three governments would take immediate action if they found any state preparing to violate frontiers or armistice lines. Subsequently they secured guarantees from Israel and all the Arab states that imported arms would not be used for aggressive purposes.

3. Public opinion at home forced the United Kingdom to discontinue in November 1950 the supply of tanks and other heavy armour to Egypt, which was making difficulties about extending or revising the 1936 treaty. The ban on arms shipments to Egypt became complete in October 1951, when Egypt unilaterally abrogated the treaty. Shortly afterward the United Kingdom asked its NATO partners also to refrain from exporting arms to Egypt.

4. Relaxation of the ban was permitted on a moderate scale shortly after General Naguib came to power in July 1952. In September General Naguib asked for the release of 65 jet fighters ordered and partly paid for before the embargo began. Of these the United Kingdom decided to release 15 in order to build up the prestige of the new Egyptian government by enabling it to announce a tangible success in its negotiations with the United Kingdom Ambassador. Since the Egyptian air force is ineffective in equipment and training the decision was considered to involve little risk. The United Kingdom Government has asked its Western partners, however, not to regard this decision as a signal for general release of weapons to Egypt, since the latter has not yet promised to associate itself with the Middle East Defence Organization. Meanwhile Israel, Syria, Lebanon and Iraq were informed in October that they might purchase up to 14 jet aircraft each from the United Kingdom. This offer was designed to create an atmosphere favourable to cooperation in regional defence planning.

5. When Israel's formal protest was delivered to the United Kingdom Government the latter reminded the Israeli Chargé on January 7 that no objection had been

raised when the matter was first broached three months ago. Strang[56] expressed surprise, moreover, that Israeli officials had complained to the press before taking the matter up through diplomatic channels, the original offers to export jet aircraft having been given no publicity.

6. It so happens that the issue began to be publicly discussed in Israel at the time when secret discussions were about to begin between United Kingdom and United States officials on possible arms shipments to Egypt from the United States. Both *The Times* of London and the *New York Herald Tribune* intimated that the purpose of the protests was to dissuade the incoming administration in Washington from giving Egypt military aid. The *Herald Tribune* thought the protests had had no effect.

7. The United States has concluded agreements with Egypt, Saudi Arabia, Syria and Israel permitting the purchase of arms under the reimbursable aid clause of the Mutual Security Act. Mr. Sharett takes the view that Israel will have to be given the arms it cannot afford to buy if the Arab states continue to arm, and last August the American Zionist Council urged Mr. Acheson to give Israel a direct grant of $49,900,000 in military assistance, to be diverted from funds for aid to Greece and Turkey. The State Department and the Pentagon are giving priority, however, to planning a modest programme of arms export and economic aid to Egypt for the approval of the incoming administration. The State Department apparently feels even more strongly than the Foreign Office that Western support for General Naguib at this critical juncture may be the means of winning Arab cooperation and increasing the stability of the area.

Canadian policy

8. Canada has not been under much pressure to export arms or military equipment to the Middle East, and it receives fewer applications for arms from all the Arab states combined than from Israel. In 1951 and the first nine months of 1952 applications on Israel's behalf had a total value of $986,830, while applications on behalf of all Arab states reached a total of only $349,267. This is explained by the fact that Lebanon and Syria are supplied chiefly by France, and Jordan, Iraq and Egypt by the United Kingdom, while Israel and Saudi Arabia purchase from the United States and occasionally from the United Kingdom. Sweden, Italy, Belgium and Switzerland are also selling to the area.

9. After the publication of the tripartite declaration of May 25, 1950, Canada arranged to exchange information with the United States and United Kingdom on arms sales to the Middle East and to consult both governments whenever requests might be received for heavy armour or unusually large supplies of "routine" equipment. This policy was adopted because the Canadian Government wished to avoid any action which might adversely affect the efforts of the three responsible powers to maintain stability in the area. A number of applications for export of arms have

---

[56] Sir William Strang, sous-secrétaire d'État permanent, Foreign Office du Royaume-Uni, (à partir de novembre).
Sir William Strang, Permanent Under-Secretary of State, Foreign Office of United Kingdom, (-November).

had to be refused on grounds of non-availability, but few cases have occurred where Canada has refused an application because of its informal understanding with the United Kingdom and United States.

10. Meanwhile at the United Nations Canada has cooperated with the United States and United Kingdom in trying to encourage Israel and the Arab states to compose their differences. At the recent session of the General Assembly efforts to secure direct negotiations between the parties broke down over the unwillingness of Israel to consider boundary adjustments which would enable a certain proportion of the refugees to return to their homes and the unwillingness of the Arabs to negotiate on any other basis. In the circumstances the United States and United Kingdom are now concentrating their efforts on securing Arab participation in the Middle East Defence Organization, assuming that an easing of their relations with Israel is more likely within that framework than outside it. They see no likelihood either of an early peace settlement or of a resumption of military attacks by the Arabs against Israel. For the moment both powers would probably appreciate the use of Canadian influence to discourage the psychological warfare in which both Arabs and Israelis are engaged.

L.D. W[ILGRESS]

983. DEA/50000-B-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, May 28, 1953

EXPORT OF ARMS TO ISRAEL

Reference: Teletype WA-1171 of May 12 (attached).†

You asked me to let you have a memorandum after looking into the question of whether the United States authorities may have been misleading us in what they have told us about their policy on this subject. In particular, you drew attention to Mr. Elliott's[57] comments that the State Department would not object to the export to Israel of:

(a) 12 90-mm. anti-aircraft guns;

(b) M-4 tank and M-10 gun carrier spare parts;

(c) .50 calibre ammunition in an unspecified quantity.

---

[57] Il s'agit probablement du maréchal en chef de l'air sir William Elliot, chef de la Mission interarmes du Royaume-Uni aux États-Unis; représentant du Royaume-Uni au Groupe permanent du Comité militaire de l'OTAN.
Possibly Air Chief Marshal Sir William Elliot, Chairman, Joint Services Mission of United Kingdom in United States; Representative of United Kingdom on Standing Group of Military Committee of NATO.

2. I appreciate that, on the surface, there is an appearance that the quantities involved, especially of the machine gun ammunition, are excessive, and that the United States Government has abandoned its policy as spelled out in the Tripartite Declaration of May 25, 1950, of limiting shipments to those required to maintain Israel's armaments at levels adequate for internal security and self-defence needs. However, after reviewing the file I have concluded that shipments of the armaments listed above would not constitute sufficient evidence to warrant an assumption that the United States authorities have modified their policy without warning us, or that they have misled us.

3. It might be helpful if I were to set out below the relevant developments of the past few months which, I think, will be found to support my foregoing conclusion.

4. No applications to export arms to Israel were refused by this Department for political reasons during 1952. However, in January 1953 the situation on the Jordan-Israel border deteriorated to such an extent that the United Kingdom Government intervened in an attempt to reduce the mounting tension in the area. About that time we were asked by the Canadian Commercial Corporation to approve a shipment of 500 tons of RDX/TNT to Israel, and, later, another order of $110,160 worth of anti-tank ammunition. You approved the second order on February 19. Shortly afterwards, Mr. Eban of the Israeli Embassy in Washington wrote to you and called on our Delegation to the United Nations in New York, seeking support for an order for 12 jet aircraft, 40 anti-aircraft guns, and 40 25-pounder guns (they now have only 100), complete with ammunition for two years. Mr. Eban argued that the recent acquisition of a large number of jet aircraft (120 either purchased or on order) by the Arab States had upset the balance of armaments in the Near East and had made it necessary for Israel to increase its level of "defensive" armaments.

5. We had in the meantime consulted the State Department and the Commonwealth Relations Office about the shipment of 500 tons of RDX/TNT. By teletype WA-465 of February 20† we were told that the State and Defense Departments both disapproved of any shipments to Israel of RDX/TNT over 50 to 100 tons. We were also told that the Defense Department, which generally seems to hold less liberal views than the State Department on these matters, considered that Israel's armed forces were the best equipped and the most effective fighting units in the Middle East. They had, therefore, steadfastly refused to agree to the export of significant amounts of military equipment to Israel. Nevertheless, it was revealed, a review of the United States policy was in progress (this has not yet been concluded) and a possible relaxation was foreshadowed which might result in increased military and technical assistance to Israel.

6. The views of the Commonwealth Relations Office on the proposed shipment of RDX/TNT were similar to those of the United States authorities. From telegram No. 372 of February 25† we learned that, in their opinion, the Arab States would look upon a shipment of 500 tons as being a threat to their security. As it happened, the order was reduced to 200 tons, but even so the United States and United Kingdom authorities objected to it.

7. In a memorandum dated March 10† the Acting Minister was asked to consider that order, as well as one for $950,000 worth of 25-pounder ammunition. On my

recommendation he agreed to the export of the RDX/TNT, partly in order to avoid cancellation charges totalling $50,000 having to be absorbed by the CIL. A decision on the 25-pounder ammunition was deferred pending clarification of the United States Government's policy.

8. Upon your return from New York you were informed of what had happened by a memorandum dated March 21.† You also agreed to defer a decision on about $36,000 worth of propellant powder, but you indicated that the matter should be reviewed when the United States had clarified its policy.

9. We asked the State Department, accordingly, what their views were concerning the two orders on which decisions had been deferred. In their interim reply (reported in WA-719 of March 21†) they emphasized what they had already told our Embassy previously, namely, that the State and Defense Departments were only approving shipments of arms necessary to maintain the *existing* level of Israel's *defensive* armament. Earlier in March, however, Israel had approached the United States Government formally with a view to purchasing, on a reimburseable basis, a long list of armaments and ammunition. Of all those, the only ones considered by the State Department were maintenance parts for military vehicles (M-4 tanks and M-10 gun carriers already owned by the Israeli Government) and a number of 90 mm. anti-aircraft guns of limited trajectory, all under the so-called "existing levels" principle.

10. In our reply, EX-517 of March 25, † we said we were somewhat concerned at the apparent fluidity of United States policy, and pointed out that if it were unpredictable or indefinite, our difficulties would be increased. We asked for an assurance that, if the United States policy were to be changed, we would be advised promptly.

11. On March 27 our Embassy again raised these matters with the State Department, where the term "apparent fluidity" was contested. It was felt by the State Department officials that their Government's policy had been firm and consistent for the past 2 years and, moreover, that they had applied a much more restrictive interpretation to the term "defensive levels" than had the United Kingdom. We were given the assurance we sought, that we would receive early warning of any change in United States policy that might be contemplated.

12. On that basis matters have since rested. On May 4 we wrote to the Canadian Commercial Corporation saying we were unable to estimate when this Department would be in a position to agree to the submission of quotations on 25-pounder ammunition (the $950,000 order).

13. While my review led me to conclude that we have not been misled by the United States authorities, I should mention that Mr. Dulles will undoubtedly wish to re-examine his Department's policy upon returning from his trip to the Middle East. Moreover, it is possible that if conditions on the frontier between Israel and Jordan improve, the United States Government may review its present policy in the light of any progress that may be made towards a solution of the political difficulties in the area and the establishment of a Middle Eastern Defence Organization.

14. There is one further point which I should like to bring out. It is that it would have been difficult for the United States authorities to have misled us about their

past policy in any case, because ever since early 1950 we have been freely exchanging with them, on a bi-monthly basis, information on all exports of arms to the Middle East. You may be interested to see the latest American list of arms shipments to that area. It was sent to us from the Embassy in Washington under cover of their letter No. 1003 of May 14.† This information is normally circulated to the Chairman, Chiefs of Staff, the Joint Intelligence Bureau, the Department of Trade and Commerce, the Permanent Delegation in New York, and to Canada House.[58]

C.S.A. R[ITCHIE]

984. DEA/50134-40

Note de la Direction européenne pour la Direction économique

Memorandum from European Division to Economic Division

SECRET Ottawa, June 18, 1953

(Attention: Mr. Wilson)[59]

EXPORT OF ARMS TO ISRAEL

The European Division agrees that it would be contrary to established Canadian policy to authorize the export of $950,000 worth of 25-pounder ammunition to Israel at the present time.

2. In preparing a memorandum for the Minister, after making the point that the CIL will suffer no setback if the export of the 25-pounder ammunition is refused, possibly you might find it useful to continue the argument along the following lines:

3. Both the United States and the United Kingdom have been consistent in their attitude toward the export of .50 calibre and 25-pounder ammunition to countries of the Middle East.

(a) They have never made any objection to the export of large quantities of .50 calibre ammunition. It falls within the category of "routine" equipment, may be and often is used for maintaining internal security and is, moreover, rapidly expendable. In August 1950 the United Kingdom told us that the export to Israel of even 2½ million rounds of .50 calibre ammunition would be considered reasonable in relation to the size of Israeli forces, taking into account the vintage of weapons which require this type of ammunition. (See Ex. 1381 of August 22, 1950.) In the same month the United States approved the export of 2 million rounds of .50 calibre

[58] Note marginale:/Marginal note:

I think that in a week or so we should consider again the 25 pounder ammunition order. I am not convinced we should not fill this order — one that CIL [Canadian Industries Limited] are anxious to have — if the USA are sending an "unspecified" quantity of .50 calibre ammunition to Israel. L.B. P[earson]

[59] David B. Wilson, Direction économique.
David B. Wilson, Economic Division.

ammunition to Israel, the latter having turned to Washington as a source of supply on being told that the desired quantities of this ammunition were not available in Canada.

(b) The case has been different with 25-pounder ammunition which is used for field artillery having a range of eight to ten miles. Field guns and ammunition have always been excluded from the categories of "routine" material whose export to Israel or the Arab states is considered to be normally compatible with the policy announced in the tripartite declaration of May 25, 1950. That declaration indicated that arms sales would be considered in relation to the needs of Middle Eastern states to "maintain" levels of armed forces to ensure their internal security and legitimate self-defence and to permit them to play their part in the defence of the area as a whole. The export of 25-pounder ammunition would thus be permitted only to replace exhausted supplies with a view to maintaining stores at a steady level. This class of ammunition is not required for the maintenance of internal order and we have been informed that very little of it is ever used in Israel for training purposes.

4. The United Kingdom and United States Governments would not export to Israel at the present time 24,000 rounds of 25-pounder ammunition, a quantity which appears far in excess of the legitimate needs of Israel to maintain existing levels of defensive armament.

5. To disregard the advice of the powers which have guaranteed existing boundaries and armistice demarcation lines in the Middle East might be considered particularly inopportune at the present moment, since the United States and United Kingdom are now trying to reduce the dangerous state of tension which exists on the boundary between Israel and Jordan. Three times this year (in February, April and May) intervention has been considered necessary by one or more of the powers which issued the tripartite declaration of May 25, 1950. In February all three intervened. The United States and United Kingdom Governments told Israel they considered it to be primarily responsible for the tension. The United States is believed to have mentioned particularly the raids into Jordanian territory recently conducted by Israeli armed forces up to battalion strength. In April, after the incidents in Jerusalem which led to General Riley's resignation, Israel was spoken to not only about its failure to restrain its own armed forces but also about its uncooperative attitude in the Mixed Armistice Commission. Representations to Jordan in February and April were much milder in tone, since it was recognized that infiltrators into Israel did not have the support of the Jordanian Government. Jordan was asked, however, to do what it could to curb infiltrators and to avoid action which would increase tension. It was commended in April for expressing a desire for a final settlement with Israel, and was asked to cooperate fully with the Mixed Armistice Commission.

6. On May 27 the Minister of State in London spoke to the Israeli Ambassador about renewed attacks into Jordanian territory by Israeli forces apparently acting under instructions, in reprisal for the infiltration of Arabs. This time the representations had some effect, for on June 8 Israel consented to revive for three months the Local Commanders' Agreement which it had denounced on January 15. This enables Jordanian and Israeli personnel along the frontier to cooperate in detecting

and apprehending persons crossing or attempting to cross the line. Incidents continue, however, and a high-level talk is to be held soon between Israeli and Jordanian officials to see what else can be done. With the arrival in Jerusalem of General Bennike on June 17 to assume the post of Chief of the United Nations Truce Supervision Staff, more effective means of preventing boundary incidents may be worked out.

7. In these circumstances it might be difficult for us to justify a decision at the present moment to permit the export to Israel of ammunition for weapons classified as highly offensive.[60]

R.E. COLLINS

985. **DEA/50000-B-40**

Note du sous-secrétaire d'État par intérim aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Acting Under-Secretary of State for External Affairs to Secretary of State for External Affairs

TOP SECRET Ottawa, September 28, 1953

NOTE ON CONDITIONS IN THE MIDDLE EAST IN RELATION TO ARMS EXPORTS FROM CANADA

In considering arms exports to Israel we have been examining the possibility of meeting as far as possible the requests of a young state in whose welfare Canada takes a continuing interest, against the background of the gentleman's agreement with states which have assumed special responsibility for protecting existing boundaries between Arab states and the armistice lines between Israel and its neighbours. Presumably a final decision should not be reached without considering also the situation which exists at present in the area itself.

2. Unfortunately the present year has been one of increasing tension. Threats to the armistice line between Jordan and Israel have been so serious that the United States and United Kingdom have had to intervene four times since January under the Tripartite Declaration of May 1950 in attempts to restore some degree of security. Both states considered Israel to be principally responsible for the deterioration. They asked Israel (a) to desist from ordering raids by its armed forces into Jordanian territory in reprisal for infiltration by Arabs who succeeded in escaping

---

[60] La note manuscrite suivante était annexée à ce document dans le dossier DEA/50000-B-40:
The following handwritten note was attached to this document in File DEA/50000-B-40:
From: Economic [Division]: A.E. Ritchie
To: The Acting USSEA [Under-Secretary of State for External Affairs]
Sept[ember] 21, 1953
Top Secret
Would you please regard this as a draft which we might discuss further and which you might wish to discuss with European [Division]. If the Minister were to decide to proceed on these lines he would doubtless wish to clear these proposals with his ministerial colleagues, since a change in policy is implied. A.E. R[itchie]

the vigilance of Jordanian and Israeli guards, and (b) to cooperate with the United Nations Truce Supervision Staff. They advised Jordan, meanwhile, to continue to follow the advice of United Nations Supervision Officers. The Israeli reprisal raids have greatly increased the difficulties experienced by Jordanian officials in controlling their own displaced border populations.

3. The last intervention by the United States and United Kingdom occurred at the end of August. On September 24 new tension developed when Israel refused to comply with a request of General Bennike, the new Chief of the United Nations Truce Supervision Staff, relating to a demilitarized zone on the boundary between Israel and Syria close to the boundary between Syria and Jordan. General Bennike wished Israel to conform with a Security Council resolution of May 18, 1951, the purpose of which was to obtain Israel's co-operation in carrying out the provisions of the armistice agreement in this zone. Israel has disregarded both the terms of the armistice agreement and the directives of the Security Council, has excluded United Nations personnel from the zone where they were to have exercised an exceptional degree of authority and has continued with drainage operations which will affect the supply of water to Syria and Jordan.

4. Intelligence reports from the area indicate (a) that Israel is likely to provoke boundary incidents in a manner designed to reinforce its demands for increased armaments, and (b) that in the present highly charged atmosphere war could break out again as the result of an accident.

5. General Bennike has been trying actively to reorganize the work of the Truce Supervision Staff on an effective basis. An influential Israeli daily newspaper, *Haboker*, suggested in the second week of September that the present methods of armistice supervision may have to be replaced by a system of security zones under the direct control of United Nations observers before security can be restored.

6. In view of the reports which have been reaching us that the representatives of the Security Council and of the Governments of the United States and the United Kingdom have been finding Israel unco-operative in the matter of restoring even the degree of security which existed along its frontiers in 1952, this may not be considered the best moment for Canada to modify its policy on the export of offensive weapons in response to requests from the party to the Palestine dispute whose policy is chiefly blamed for the recent deterioration of security in the area. If our export policy were modified now it would encourage Israel to suppose that Canada has begun to lose the interest it formerly showed in the success of the Security Council in making the armistice agreements work. If after some hesitation we agreed to modify our policy slightly, there is no doubt that pressure would be redoubled to secure still greater concessions. If we do not consider it desirable to meet in full Israel's request for highly offensive weapons, certainly the most effective way of convincing Israel that we wish to keep in line with the United States and the United Kingdom would be to press for the early clarification of the policy of these two states before entertaining any requests from the Middle East for the export from Canada of highly offensive weapons. In this way we should ensure that would-be exporting countries keep in line with one another and at the same time we

should protect ourselves against possible charges that we are uninterested in furthering Canadian trade.

C.S.A. R[ITCHIE]

986. DEA/50134-40

Note du sous-secrétaire d'État par intérim aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Acting Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, October 26, 1953

VISIT OF MR. COMAY

In accordance with your instructions I asked the Minister of Israel to come to see me today, on his return from his trip to the West, in order to raise with him the Qibya incident. I told Mr. Comay that as you were away you had asked me to see him to tell him, on your behalf, how very gravely concerned you were to learn of the attack on Qibya. I said that as a friend of Israel you wished to express this concern, particularly in view of the subject of your recent discussions with Mr. Comay, i.e., the sale of arms to Israel.

2. Mr. Comay, while not expressing regret for the Qibya incident, made no attempt to defend or explain it, but instead said that it was necessary to consider it within the context of the whole situation along the demarcation line. He then proceeded to a fairly lengthy exposition of the situation on the Israel-Jordan frontier, along familiar lines. He emphasized that the raids from Jordan into Israeli territory were of various kinds, some could hardly be called raids at all, but were more in the nature of illegal entry — often for smuggling purposes; others were organized by gangs of marauders and cattle thieves. There was a quite extensive smuggling trade in hasheesh operating along the caravan routes from Egypt. Apart from these activities, however, there were what he described as more sinister raids which showed signs of being tolerated or encouraged by the Jordan authorities for military purposes. These were raids conducted by groups of a para-military character and in company size formations. They were often armed with machine guns. They attacked Jewish settlements, dynamiting the houses and murdering the inhabitants for the deliberate purpose of inducing unrest along the frontier. Similarly the mining of roads and bridges in Israel which had been undertaken on an increased scale during the past year, was a military operation designed to cut Israeli communications. It was a dangerous and technical job done for no purposes of gain by individuals, but as part of a plan.

3. The Israeli Government, for their part, had settled ex-soldiers in the farms and settlements along the border and had given them arms so that they would be able to defend themselves. This was necessary as the character of the long drawn-out border made it impossible for them to defend it with regular forces of the Israeli Army, or to build any kind of "Maginot Line". As long ago as last June, before Mr. Comay had left Israel, he had been present when Mr. Sharett had summoned the

American and British Ambassadors to Israel and had warned them that continued incursions from the Jordan side of the demarcation line into Israel might well provoke reprisals on the part of the armed Israeli settlers in the neighbourhood. It was impossible for the settlers to deal with raids of this kind effectively without counter-attacks on the villages across the border on the Jordan side where the raids were being organized. I asked Mr. Comay whether he was referring to reprisals by the armed forces of Israel, or by the settlers. He replied that he was referring to the settlers. Mr. Comay said that it was a pity that the United Kingdom and the United States Governments had not taken more notice of Mr. Sharett's warning that the situation along the demarcation line was deteriorating in this way.

4. I asked Mr. Comay whether the demarcation line itself cutting off as it does refugees from their former properties was not responsible for a great deal of the trouble. Mr. Comay readily agreed that the line was a very bad one and said that he did not think that the Government of Israel would exclude modifications in the present demarcation line, so long as these changes did not have the effect of making the border indefensible from the strategic point of view. Minor modifications could probably be arranged. He thought that changes in the demarcation line should form part of a general settlement.

5. Mr. Comay then turned to the question of the canal project on the Jordan. He said that the suggestion of the Chairman of the Mixed Armistice Commission that the Israeli Government should suspend work on the canal as long as they had not reached agreement with the Syrian Government on it, would have the effect of giving Syria a veto over the entire project and was therefore unacceptable to the Israeli Government. In this connection he mentioned the United States Government's decision to suspend the grant-in-aid from the United States to Israel. He said that this was an unfortunate decision, not only as it affected Israel but also in terms of United States global policies. The United States had frequently indicated that aid of this kind had no political strings attached to it. The present decision to hold up aid for political reasons would not be good for United States prestige, either in Israel or in other recipient countries. He told me, on a confidential basis, that he had been having a telephone conversation today with Mr. Eban, Israeli Ambassador in Washington and Representative to the United Nations, on this subject. He gathered from Mr. Eban that in official quarters in Washington there was a feeling that the United States Government had gone too far too fast in suspending the grant-in-aid. He added that he thought it might be possible to work out an arrangement with the United States whereby the Israeli Government would consent to suspend work on the Jordan canal project while the subject was subjudice in the Security Council and that on this condition the United States would be willing to restore the grant-in-aid.

6. Mr. Comay then asked me whether I had seen the statement (a copy of which is attached hereto†) issued by the Israeli Delegation to the United Nations, in connection with regional waters development. He thought the United States Government's behaviour over this matter had been most extraordinary. Although the Israeli Government had repeatedly endeavoured to secure from the authorities in Washington, and from the United Nations the text of this United Nations project for inter-state agreement on the use of Jordan waters, they had never been able to do so, when

finally last week the text had been made available to them. It had been given simultaneously to the press and statements had been issued in Washington to the effect that this plan was being sabotaged by the Israeli Government. Mr. Comay said that the timing of this publicity showed that it had been devised to bring political pressure on the Government of Israel at the time when it was embarrassed by the Qibya incident.

7. Finally, Mr. Comay referred to Mr. Eric Johnson's visit to Israel and the Arab countries. He said that although this was described in the press as a goodwill mission to these countries, it struck him as peculiar that no official communication had ever been made to the Government of Israel regarding this visit and that the first they had heard about it was in the press.

8. So far as the Security Council's discussions of the Qibya incident were concerned Mr. Comay said that if the Security Council limited itself to a simple condemnation of Israel for one particular episode this would serve no purpose and would ignore the real underlying problems. On the other hand Israel would welcome a more far-reaching examination by the Security Council of the issues involved in the Jordan-Israel frontier troubles, in the hope that this might lead towards a settlement.

9. Mr. Comay stayed with me for more than an hour. He plainly felt that in default of any explanation of the Qibya incident his best line was to broaden the subject matter of our talk to include a number of criticisms of United States policy.

C.S.A. R[ITCHIE]

987. **DEA/50000-A-40**

Note du sous-secrétaire d'État par intérim aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Acting Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, October 28, 1953

ARMS EXPORTS TO THE MIDDLE EAST

Yesterday General Vagn Bennike, Chief of Staff of the Palestine Truce Supervision Organization, reported to the Security Council that tension between Israel and Jordan has reached the "breaking point". As Canadian policy has in the past been to prohibit the export of arms to states which are, or appear to be, on the verge of war with each other, is it your wish that we should now:

(a) delay the approval of requests for permits to export arms to Israel and the Arab states for the time being;

(b) arrange, administratively, for delay in the shipment of M-4 tank parts to Israel under the authorization already granted?

2. It may be expected that the Government of Israel would protest any delay in the shipment of military equipment. On balance, however, it is thought that the present considerations justify the temporary imposition of an arms embargo (not

called so in so many words) pending the outcome of the discussions in the Security Council.

C.S.A. R[ITCHIE]

988. DEA/50134-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour la Direction européenne

Memorandum from Assistant Under-Secretary of State for External Affairs to European Division

CONFIDENTIAL Ottawa, November 10, 1953

THE CHARGE AGAINST ISRAEL IN THE SECURITY COUNCIL

It seems to me that if the Security Council goes ahead with its apparent intention to denounce Israel for the attack on Kibya, and to make little if any reference to Arab offences, it will contribute not to pacification in the Middle East but to its permanent unsettlement. There is no doubt that the attack on Kibya was a despicable business and merits severe condemnation. To ignore however the Arab provocations and Arab brutality which, if not in quite so dramatic a form, seem to have been equally bloodthirsty would quite literally leave the Arabs with the impression that they can get away with murder. There is a great deal of talk about the Conciliation Commission's finding that the Kibya affair was something with which the Israelis should be charged, but the British and Americans seem to be ignoring entirely the reports from the same source on previous Arab activities.

It seems to me that the British are mainly responsible for this lack of objectivity. The pro-Arab bias is so deep-rooted in the Foreign Office and the Conservative Party, with the honourable exception of the Prime Minister, that it has never been possible for them to look at Arab-Israeli questions fairly. This bias is constantly fed no doubt by reports from Glubb and his associates in Amman, whose bland ignoring of the facts of Arab-Jewish relations in Palestine during the past decade or so must be heard to be believed. This bias is also fed by the British press, in which the Israeli point of view is practically never mentioned.

Much has been said about the alleged pro-Israeli attitude for political reasons of the United States, but the American press, though on the whole unfair to the British during the Palestine troubles, was certainly no less objective during that period than the British press. There seemed to be some reason to hope in the past few years that the admirable reporting of Sir Knox Helm from Tel-Aviv, and the generally improved relations between Israel and the United Kingdom, not to mention the deterioration between the UK and most of the Arab countries, would have corrected this bias. Unfortunately, however, it now appears that everyone from the Archbishop of York down is enjoying another orgy of Israelophobia.

The United States attitude has of course been equally lacking in objectivity. Unfortunately in the past its bias was somewhat on the other side and served therefore as a corrective to the British attitude. It appears now, however, that the military

arguments for keeping the Arabs sweet have proved stronger than the domestic arguments for keeping the New York voters happy, and action of the Security Council will be determined, not by a fair study of the facts, but, by the military exigencies. (It seems to me incidentally that the Archbishop of York's references to the influence of the New York voter on American policy might well be classed with Senator McCarthy's egregious references to the springs of British policy.)

We have had a long and I think honourable history of endeavouring to approach the problems of this area in full recognition of the fact that, as between the Jews and the Arabs, one is dealing not with those in the right and those in the wrong but with two sides, both of whom have a great deal of right on their side. In this case we seem to be dealing with a situation in which both sides have done wrong, and I wish that we could somehow use our influence to secure a resolution which would cry "a plague on both your houses", and not encourage one side by denouncing the other.

J.W. H[OLMES]

989. **DEA/50000-B-40**

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, November 26, 1953

ARMS EXPORTS TO THE MIDDLE EAST

You will recall that you agreed to the suggestion contained in a memorandum of October 28 to the effect that an administrative delay should be imposed upon the shipment of military equipment to Israel pending the outcome of the discussions in the Security Council on the Israel-Jordan situation.

In view of the adoption by the Security Council at its meeting yesterday of a resolution condemning Israel but not calling for the imposition of an arms embargo, I would now recommend that the temporary suspension of the export permit for M-4 tank parts be withdrawn, and the shipment permitted to go forward. If you agree, I will inform the Department of Trade and Commerce without delay.[61]

C.S.A. R[ITCHIE]
for
H.H. W[rong]

[61] Note marginale:/Marginal note:
I agree L.B. P[earson]

SUBDIVISION II/SUB-SECTION II

IMMIGRATION

990. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], September 24, 1953

. . .

IMMIGRATION POLICY; ISRAEL

29. *The Minister of Citizenship and Immigration* reported that there had been increasing pressure from the Jewish population in Canada for immigration from Israel, and 2,000 applications were now pending, involving over 6,000 persons alleged to be close relatives of the applicants, mainly from citizens of Montreal and Toronto. Up to the present time, the Department of Citizenship and Immigration had been processing only those cases where security clearance was normally waived. Investigation had revealed that security arrangements in Israel were extremely bad and that proper security clearances could not be obtained. The problem had been considered by an interdepartmental committee which recommended:

(a) that provision be made for dealing with applications submitted by permanent residents of Canada for admission from Israel of parents, whether coming within the categories normally eligible for waiver of security clearance or not;

(b) that, subject to the establishment of a Canadian mission in Israel, an officer from the Department of External Affairs or the Department of Citizenship and Immigration be appointed to a consular position to deal with immigration matters;

(c) that applications for the admission of residents of Israel which may be dealt with, be processed on the following basis:

(i) the application be referred to the Canadian post in Israel only after security clearance of the sponsor in Canada had been obtained;

(ii) upon receipt of an approved application from Canada, the Canadian official in Israel interview the prospective immigrant with a view to establishing definite identity and relationship to the sponsor and to developing any derogatory information;

(iii) all existing facilities for checking a prospective immigrant's background be thoroughly utilized;

(iv) where derogatory information of material significance was discovered, a visa to be refused and the interested parties advised only that the prospective immigrant was unable to meet immigration requirements;

and,

(d) consideration be given to the posting of an RCM Police officer to the Canadian post in Israel at least for an initial period. Such officer not to be known as a

security officer but to fill a consular or other position and to secure all possible information about prospective immigrants.

An explanatory note was circulated.

(Minister's Memorandum, Sept. 24, 1953 — Cab. Doc. 221-53) †

30. *The Cabinet* noted the report of the Minister of Citizenship and Immigration on proposals for handling immigration from Israel and deferred decision pending further discussion at a later meeting.

. . .

991. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], September 29, 1953

. . .

ISRAEL; IMMIGRATION TO CANADA

12. *The Minister of Citizenship and Immigration* referred to discussion at the meeting of September 24th, when he had submitted recommendations on steps which might now be taken to allow certain relatives of Jewish residents of Canada to move from Israel to Canada.

An explanatory note had been re-circulated.

(Minister's memorandum, Sept. 24, 1953 — Cab. Doc. 221-53) †

13. *During the course of discussion* the following points emerged:

(a) Although there should be no discrimination against the admission to Canada from Israel of relatives of Jewish residents of Canada under the criteria suggested by the Minister of Citizenship and Immigration, precautions should be taken against fraud in claims of family relationship.

(b) As security arrangements for the clearance of prospective immigrants were poor in Israel, it was not unlikely that a certain number of Communists might gain access to Canada. Any such cases that were discovered after admission to Canada could be deported to their country of origin.

14. *The Cabinet* approved the recommendations of the Minister of Citizenship and Immigration regarding the admission of immigrants from Israel and agreed,—

(a) that, despite the fact that security clearance could not be obtained, provision be made for dealing with applications submitted by permanent residents of Canada for the admission from Israel of parents, whether coming within the categories normally eligible for waiver of security clearance or not, provided such parents had at least two years residence in Israel if not eligible for waiver and that the Minister be authorized, in his discretion, to admit relatives of other degrees where he thought it desirable, on the understanding that such extension of admissible groups would be kept to the minimum he considered practicable;

(b) that, subject to the establishment of a Canadian legation or other post of the Department of External Affairs in Israel, there be appointed an officer in a consular position at that post to deal with immigration matters in Israel;

(c) that all applications for the admission of residents of Israel be processed on the following basis:

(i) the application to be referred to the Canadian post in Israel only after security clearance of the sponsor in Canada had been obtained;

(ii) upon receipt of an approved application from Canada, the consular officer to interview the prospective immigrant and subject him to a thorough interrogation, with a view to establishing identity and relationship to the sponsor and to reveal, if possible, any derogatory information;

(iii) such facilities as did exist for checking a prospective immigrant's background to be thoroughly utilized before a visa was granted; and,

(iv) where derogatory information of material significance was discovered, a visa to be refused and the interested parties advised only that the prospective immigrant was unable to meet immigration requirements;

(d) that consideration be given to the posting of an RCM Police officer to the Canadian post in Israel, at least for an initial period.

SECTION C

ÉTABLISSEMENT DE LA RÉPUBLIQUE DE SYRIE
ESTABLISHMENT OF REPUBLIC OF SYRIA

992. DEA/50162-B-40

L'ambassade aux États-Unis
au sous-secrétaire d'État aux Affaires extérieures

Embassy in United States
to Under-Secretary of State for External Affairs

LETTER NO. 1406 Washington, July 16, 1953

ADOPTION OF NEW SYRIAN CONSTITUTION AND ELECTION OF MR. ADIB SHISHAKLY AS PRESIDENT OF THE REPUBLIC OF SYRIA

Attached are three copies of a note received from the Syrian Ambassador containing the information that a new constitution has been adopted by the Syrian people and that Mr. Adib Shishakly has been elected President of the Republic of Syria.

G. IGNATIEFF

[PIÈCE JOINTE/ENCLOSURE]

L'ambassadeur de Syrie aux États-Unis à l'ambassadeur aux États-Unis

Ambassador of Syria in United States to Ambassador in United States

Washington, July 13, 1953

The Ambassador of Syria presents his compliments to His Excellency the Ambassador of Canada and has the honor to inform him that following a referendum held in Syria on July 10, 1953, a new constitution was adopted by the Syrian people, and, in accordance with the provisions of the Constitution, His Excellency Mr. Adib Shishakly has been elected President of the Republic of Syria.

The Ambassador of Syria would be grateful if the above information is relayed to the Government of Canada.

The Ambassador of Syria etc.

993. DEA/10464-A-40

Note du sous-secrétaire d'État par intérim aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Acting Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, August 12, 1953

RECOGNITION OF SYRIAN GOVERNMENT

Our Washington Embassy hopes that it may have from us this week instructions enabling it to hold normal communications with the Syrian Embassy.

2. On July 13 Mr. Wrong was asked by the Syrian Embassy to inform the Canadian Government that in a referendum held on July 10 the Syrian people had approved a new constitution and that Mr. Adib Shishakly had been elected President. Although this note was given interim acknowledgment, our Embassy is waiting to learn whether Canada now recognizes the Shishakly Government.

3. Canada recognized the Syrian Republic early in 1946 but it took no steps to recognize any of the four governments which came to power by coup d'état in Damascus between March 1949 and November 1951. In the present case, however, the conditions for recognition seem to be fulfilled. The Shishakly administration has been in full control of Syria since November 1951, it recognizes the validity of treaty engagements and has now been confirmed in office by an overwhelming popular vote.

4. If you agree, I shall telegraph our Ambassador in Washington today to instruct him to acknowledge the Syrian Ambassador's note of July 13 on behalf of the Ca-

nadian Government, the intention being that this official acknowledgement should constitute an act of recognition.

5. Our Embassy in Washington is anxious to have the matter cleared up as the Syrian Ambassador asked several days ago for an interview and is being kept waiting. Notes, moreover, have been sent by our Embassy to other Missions in Washington to inform them of the presentation of Letters of Credence by the new Canadian Ambassador and the Syrian Embassy is not likely to understand why it received no similar communication.

C.S.A. R[ITCHIE]

994. DEA/7691-40

Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis

Secretary of State for External Affairs
to Ambassador in United States

TELEGRAM EX-1413 Ottawa, August 13, 1953

CONFIDENTIAL. IMPORTANT.

RECOGNITION OF SYRIAN GOVERNMENT

Reference: Our Despatch S-828 of July 27, 1953.†

Please inform the Syrian Ambassador that his message of July 13 was duly transmitted to the Canadian Government which has now instructed you to reply on its behalf in the terms outlined in our despatch under reference.

2. When you see the Syrian Ambassador you might explain to him informally that this message, as distinguished from your interim reply of July 16, is intended to serve as the official record of the granting of *de jure* recognition to President Shishakly's Government by the Government of Canada.

995. DEA/10464-D-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1959 Washington, August 14, 1953

SYRIA

Reference: Your EX-1420 of August 14, 1953.†

Following is the text of our note dated August 14 to the Syrian Embassy, Begins: "The Canadian Ambassador presents his compliments to His Excellency the Ambassador of Syria and has the honour to refer to the Syrian Ambassador's note of July 13, 1953. The information contained in the Syrian Ambassador's note was duly transmitted to the Canadian Government which has now instructed the Canadian Ambassador to acknowledge on behalf of the Canadian Government the information that on July 10, 1953 a new constitution was adopted by the Syrian people, and, in accordance with the provisions of the constitution, His Excellency Mr. Adib Shishakly has been elected President of the Republic of Syria.

"The Canadian Ambassador avails himself of this opportunity to renew to His Excellency the Ambassador of Syria the assurances of his highest consideration". Text ends.

Chapitre X/Chapter X

RELATIONS AVEC L'UNION SOVIÉTIQUE ET L'EUROPE DE L'EST
RELATIONS WITH THE SOVIET UNION AND EASTERN EUROPE

Première partie/Part 1

UNION SOVIÉTIQUE
THE SOVIET UNION

Section A

ORIENTATIONS DE LA POLITIQUE
POLICY TRENDS

996. PCO/U-15

Note du sous-secrétaire d'État aux Affaires extérieures pour le premier ministre

Memorandum from Under-Secretary of State for External Affairs to Prime Minister

Ottawa, March 4, 1953

In a telephone call from New York, this morning, Mr. Pearson gave us his views on what action might appropriately be taken in the event that an official announcement is made of the death of Prime Minister Stalin. He suggested that you, together with the Acting Minister, if he is in town, might wish to call in the Soviet Chargé d'Affaires and express the sympathy of the Canadian people with the peoples of the Soviet Union in the loss of Prime Minister Stalin, who led them so gallantly during our common struggle in the Second World War. Mr. Teplov[1] might also be informed that instructions had been given to the Canadian Chargé d'Affaires in Moscow to inform the Soviet Government officially of the regrets of the Canadian Government.

2. If you agree with this suggestion, I shall cable appropriate instructions to our Chargé d'Affaires in Moscow, and inform him of the action planned here.

3. After seeing Mr. Teplov, you might wish to make a statement, either in the House or to the Press,[2] reporting the action which had been taken by you in Ottawa and by our Embassy in Moscow.

---

[1] L.F. Teplov

[2] Saint-Laurent a paraphé le document.
The document was initialled by St. Laurent.

4. The Department of External Affairs will, of course, receive many questions from the Press concerning the significance of Prime Minister Stalin's illness and the probable repercussions of his death. It is not proposed to make any statement for attribution. Off the record, the Department is discounting the possibility of a "palace revolution" or dramatic struggle for the succession, on the grounds that the Soviet Government has been in undisputed power for many years and must be assumed to have made adequate preparation for the orderly transfer of power. The intention is to discourage excited speculation on a startling change in Soviet policy, either in the form of alarmist views that Stalin's death may lead to war, or undue optimism that his disappearance from the scene may pave the way to a general settlement.

L.D. W[ILGRESS]

997. DEA/5198-40

Le chargé d'affaires en Union soviétique au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union to Secretary of State for External Affairs

DESPATCH 274 Moscow, March 31, 1953

SECRET

RECENT INTERNAL DEVELOPMENTS IN THE USSR

Reference: My Despatch No. 266 of March 27, 1953† and other Despatches.

In this despatch I shall try to draw together the various reports I have already submitted about the death of Stalin and the transfer of power, and make an estimate of what has happened. This I must qualify from the beginning as very much guesswork, and some new evidence may come to light next week which may modify my present conclusions.

2. While my analysis of developments over the past six or eight months, contained in my despatch No. 195 of February 28,† was written before the death of Stalin, I do not think anything has happened since then which would necessitate changing my thesis. It is clear that something has been going on inside the Party and Government, and possibly the Army, over the past few years, which came closer to the surface in recent months. I thought so first about a year ago when the Soviet authorities developed a propaganda campaign of unprecedented violence against the Americans concerning germ warfare and the Korean prisoners of war. It seemed to me that it was primarily directed towards the Soviet people and was a manifestation of some malaise of which we had no inkling.

3. The announcement in August that the 19th Party Congress would be held in October[3] seemed to indicate that whatever was going on under the surface had been

[3] Voir volume 18, documents 962-965./See Volume 18, Documents 962-5.

resolved, as it seemed unlikely the hierarchy would confront the Party mass after an interval of thirteen years if there were still any important differences of opinion at the top. The Congress itself seemed to justify this thesis since it showed no cracks in the walls of the Party, and was the focal point for a tremendous display of the power and unity not only of the Soviet Union but of the whole Soviet bloc.

4. Nevertheless it now seems possible that there were some disagreements which the Congress carefully concealed. Perhaps whatever differences and whatever doubts did exist in the minds of the top Party men in recent years were subordinated to the really important task of creating the impression of unity behind Stalin which the Congress did do. Presumably also it was becoming increasingly difficult to postpone holding the Congress much longer, and it was decided that it was better to hold it while Stalin's health was good and things were going well than to put it off indefinitely. In any case no chances were taken; the Congress was prepared very carefully, and local and republican Parties were purged well in advance.

5. The Congress was Stalin's swan song. It was prefaced by his *Bolshevik* article "Economic Problems of Socialism in the USSR", which set the ideological tone for the Congress. If he left any testament to posterity then this is it, and its essential message is that practical Communism is a long way off. Apart from the redrafting of some of the Party by-laws the only other important act of the Congress was to abolish the Politburo and the practically defunct Orgburo, replacing them by a Praesidium of 36 members and candidates and enlarging the Secretariat to 10 members. No one man emerged from the Congress as the heir apparent. Malenkov seemed to be number two in power, but his position was confirmed rather than increased. In general these two changes seemed to diffuse the power of those under Stalin and increase relatively his supreme position.

6. Between the Congress in October and the beginning of January something happened to change the situation again. In my opinion the Soviet leaders were alarmed at the prospects of a serious deterioration in the international situation resulting from the Republican victory in the United States, and the growth of some internal difficulties. It is possible that the enlargement of the governing body of the Party annoyed the original members of the Politburo and Secretariat who disliked the idea of their power being shared by newcomers. They may also have believed that this was not the time to diffuse power and tamper with time-tested people and organs.

7. Whatever the causes, the public manifestation was the arrest of the Kremlin doctors on January 13[4] followed by a wide-spread campaign against corruption, gullibility and lack of vigilance in the Party and State apparatus. A number of arrests were made but most of them were for relatively minor offences and no attempt was made to link them directly with the doctors in a nation-wide plot. That there was a connection on a theoretical level at any rate was however shown by

[4] On avait accusé neuf médecins d'être responsables de la mort de nombreux dirigeants militaires soviétiques et d'avoir agi comme agents des États-Unis et du Royaume-Uni en utilisant des intermédiaires sionistes.
Nine doctors were accused of causing the deaths of several Soviet military officials and of acting as American and British agents through Zionist intermediaries.

articles in *Pravda* and *Communist* linking the doctors, the "rotten" theories of bourgeois nationalists, Zionism, the mistakes of the Voznesensky economists, corruption and inefficiency, lack of vigilance, Mensheviks, Trotskyite remnants, and so on. At the same time the theme of capitalist encirclement and the military threat from the West was revived.

8. It was clear something was certainly the matter, though I took from the start the line that it was less likely to be due to a struggle for power at the top, than a desire to clear out all possible discontents, particularly among the intelligentsia (see my despatch No. 195 of February 28), and to strengthen a body politic which was apparently suffering from certain diseases, especially corruption and inefficiency. I would not entirely eliminate the possibility that the Doctor's plot was the beginning of a new, but minor, purge engineered by Stalin to get rid of the people who had held views opposite to them, the nature of which I outlined in my despatch under reference. In any case something exceptionally important was happening which kept Stalin in Moscow all winter, for the first time since the war.

9. This proved too much for him and resulted in his sudden death on March 5 after four days' illness, and, I am inclined to believe, before the job which had kept him in Moscow was completed. The take-over was remarkably smooth. The reorganization of the Government, the nomination of the principal ministers, the appointment of the new head of State, and a change in the top governing body of the Communist Party was announced within 24 hours of the Generalissimo's death and there was, so far as we know, no opposition or disorder throughout the country. Apart from an early appeal to avoid disunity and panic, which the new leaders may have genuinely feared, the Party, the Police, the Army and the people in general appear to have heeded the call to close ranks and rally round the Central Committee.

10. The Vozhd was laid beside Lenin in Red Square on March 9; and on March 15 the Supreme Soviet met, having been called originally to meet on the 14th, in order to ratify the decrees, some of them clearly unconstitutional, of the Council of Ministers. At the brief session approval was given to all the changes, including several in the Constitution itself, as well as to the reorganization of the remaining ministries. On March 21 *Pravda* announced that the Central Committee of the Party, meeting a week before, that is on the day the Supreme Soviet should have met, had approved the reduction of the Secretariat to five members and Malenkov's relinquishment of his position in it.

11. I have already analysed in some detail in my despatches No. 214 of March 13† and No. 242 of March 20† the nature of the reorganization of the Government, and in my despatch No. 266 of March 27 the changes in the Party. The rapid and smooth transfer of power could hardly have taken place without at least some advance planning. My theory, for what it is worth, is that as a result of the more serious estimate of the international and domestic situation after the Congress, the Soviet leaders began working out a plan for the more efficient administration of the Government involving a reduction in the number of ministries from 51 to 25, and the stepping-down again of the leaders into the arena. Perhaps this reorganization was being prepared to be put into effect fairly shortly, or it may have been intended

simply as an emergency plan, for use in the event of war or some crisis such as Stalin's death. This may have been one of the reasons for Stalin's prolonged stay in Moscow. Another bit of evidence is the failure to convoke the Supreme Soviet to discuss the budget, since, if the Government was to be so radically changed, a budget drawn up on the old plan would be useless.

12. I do not believe, however, that the changes in the Party organization were planned in advance. In the first place, it seems unlikely that Stalin would approve a scheme which runs entirely counter to the reform of the Party he had just made at the 19th Party Congress. I think that Stalin may not have been entirely satisfied with his old Politburo and widened it in order to try out new men. This would naturally cause dissatisfaction among the older members, who took the first opportunity to revert to the Politburo idea. They may also have genuinely believed that in an emergency a handful of trusted men could run things better than an unwieldy Praesidium of 36 members.

13. I also find it difficult to believe that Stalin had actually named his successor, or successors. In the first place it does not seem to accord with his personality, or his ancient tactic of playing one man off against another. He must also have feared that the one sure way to shorten his life would be to proclaim his successor. And if he had made a political testament I think we can be sure that it would have been produced and waved in triumph by the heir.

14. I think what may have happened is that Malenkov and Beria working together staged a minor coup. Certainly the quick demotion of Molotov from number 2 man to Stalin to number 3 in the new set up, his emotional behaviour at the funeral, and the fact that he alone of the top four did not speak at the Supreme Soviet would lend countenance to the belief that he was superseded, though it is possible that when the time came for action he had neither the physical strength, leadership or ambition to insist on his rights. It would be in accordance with his character as a good Bolshevik, however, to accept personal demotion for the good of the Party.

15. At first it appeared that Malenkov had stepped right into Stalin's shoes. He occupied precisely the same three key positions as the Generalissimo — Chairman of the Praesidium of the Council of Ministers, member of the Praesidium of the Central Committee of the Party, and member of the Secretariat, and was the only member of the new regime who sat in all three bodies. At the funeral Malenkov acted and spoke like the boss, and from the first moment of the proclamation of the new Government, the press began quoting from Malenkov's report to the 19th Party Congress, and his photo was prominently displayed, in particular one of him delivering his report with Stalin peering over his shoulder, and another (faked) of him, Stalin and Mao Tse-tung. Beria referred to him as the talented disciple of Lenin and faithful comrade in arms of Stalin.

16. Then something happened. The photographs disappeared from the press and quotations from both his Congress report and his speeches in Red Square and at the Supreme Soviet. Even references to the peace policy of the new Government no

longer quoted Malenkov by name, except Dr. Endicott[5] in his speech accepting a Stalin Peace Prize, but that is not significant. At the same time articles in the leading papers began to refer to the necessity of "firm and consistent observance of the principles of *collective leadership*, of the collegiate principle in work" (*Pravda*, March 27).

17. It is in the context of this decided change of emphasis that we must look at the announcement of the Central Committee on March 24, published a week later, that Malenkov had relinquished his post as a member of the Secretariat, and that this body had been reduced to five members, Khrushchev, Suslov,[6] Pospelov,[7] Ignatiev[8] and Shatalin.[9] As I said in my despatch No. 266 of March 27, no matter what the immediate effect on the power position of Malenkov, it looks as if his personal influence is being cut down, and a halt has been called to the first attempt to build him up as the undisputed successor of Stalin. The result looks more like government by committee than the legalized dictatorship of one man as it existed under Stalin. In Appendix A I have listed the members of the main governing bodies so that it can be seen that essential power is more dispersed than it was in Stalin's time. Certainly what evidence we have shows that Stalin preferred to keep a system of many small ministries so that he could keep an eye on them personally to prevent any one person building up too much influence. The present governmental change and the greater division of administrative responsibility among the Soviet leaders means it will be more difficult for one man to control absolutely the whole apparatus of government.

18. Again we can only speculate on what happened. I suggest that the evidence strongly points to an attempt by Malenkov, supported by Beria, to use the confusion occasioned by Stalin's death to usurp more power than whatever plans had been laid in advance contemplated. Then came a reaction and either Malenkov was forced to relinquish the Secretariat or he gave up in advance realizing that the opposition at the moment was too great. If, as we suspect, the Secretariat is no longer so important as it once was, then this may not in the long run matter so much. It does, however, mean that three men — Malenkov, Beria and Khrushchev — share power in a way that is strongly reminiscent of the troika of Stalin, Kamenev[10] and Zinoviev[11] at the time of Lenin's death. Perhaps, incidentally, I am wrong to put Khrushchev as one of the trio, rather than Molotov or Bulganin, but it is my personal hunch that he is now in a stronger position than the other two, not only because of the position he holds, but because of the way he acted at the funeral of Stalin, and the fact that the only three important speeches made at the session of the Supreme Soviet were by Malenkov, Beria and Khrushchev.

---

[5] James Endicott, ancien modérateur de l'Église unie du Canada; militant pour la paix.
Dr. James Endicott, former Moderator of United Church of Canada; peace activist.

[6] M.A. Suslov.

[7] P.N. Pospelov.

[8] Peut-être S.D. Ignatiev, ministre de la Sécurité de l'État (jusqu'en mars).
Possibly S.D. Ignatiev, Minister of State Security (-Mar.).

[9] N.N. Shatalin.

[10] L.B. Kamenev.

[11] G.E. Zinoviev.

19. I do not want to imply that these three are engaged in an out and out struggle for power, and so long as they co-operate the system will continue to work smoothly. But it is obvious that a Directorate is not so efficient as the dictatorship of one overwhelmingly powerful man. It is also improbable that committee Government will continue indefinitely in a country where tradition and sentiment is in favour of personal rule. The situation is therefore pregnant with many possibilities.

20. The present rulers undoubtedly realize this and for the moment it seems probable they will consolidate their power jointly. From their many acts in the field of both foreign and internal affairs one can adduce a feeling of uneasiness. The insistence on peaceful intentions and the various gestures towards the Western Powers, which I am analysing in a subsequent despatch, are clearly intended to reduce the pressure from abroad in order that they may concentrate on internal affairs. They have undoubtedly read their Kennan[12] and therefore think that they must avoid the danger of the double pressure at the same time, from abroad and from inside the country.

21. In internal affairs they have taken a number of steps the effect of which is to increase the popularity of the new regime. Malenkov's speeches in Red Square and in the Supreme Soviet were, as I have already reported, in my opinion "election" speeches, in the sense that they appealed to the Soviet people for support, and in order to secure this promised four things which must have been very popular — the stress on the multi-national state, the statement that the Government leaders are the servants of the people, the stress on hatred of war and the conviction that all international problems can be worked out peacefully, and the promise to work for the greater material and cultural requirements of the population. These four points have since been developed in the press.

22. Then on March 28 came the edict, the first signed by Voroshilov, declaring an amnesty for certain types of prisoners (see my despatch No. 271 of April 2, 1953†). Whatever the practical results, it undoubtedly will increase the popularity of the regime. The next step logically would be another reduction of prices.

23. The mystery of the Kremlin doctors continues. There has been practically no mention of them since Stalin's death, though the campaign for greater vigilance has flared up and down in the press. Whatever the aim of the amnesty it would certainly seem to run counter to the aim of the vigilance campaign in the sense that it will create an atmosphere rather of relaxation than increased efficiency.

24. In general I would say that these attempts to gain public support, combined with gestures towards the Western Powers, can be interpreted as proof that the Government feels moderately strong but not secure enough to do without the backing of the people. If it were really unsure of itself it would not dare to take measures having the effect of relaxing tension. On the other hand, this has certain disadvantages and seems to run counter to what Stalin was trying to do. If corruption and inefficiency still exist on a broad scale, then it would seem illogical to abandon

---

[12] G.F. Kennan, ancien ambassadeur des États-Unis en Union soviétique; auteur d'ouvrages sur l'histoire diplomatique.
G.F. Kennan, former Ambassador of United States to Soviet Union; diplomatic historian.

or dilute the campaign to weed them out. One can only guess that these measures were proving too unpopular for the Government to wish to continue. On the contrary everything is being done to bring all shades of opinion behind the regime, including the amnesty, and even the practical restoration of Andreev,[13] who has been completely in eclipse.

25. One final point of considerable importance is the influence of the Army in the new regime. Bulganin has become War Minister and his deputies are Vasilievsky[14] and the very popular Zhukov,[15] whose startlingly quick return to a position of power is very significant. The relatively popular Marshal Voroshilov is head of state and though this is not a position of great practical importance, it can be interpreted as a sop to the Army. There are a number of indications that there may have been some discontent in the Army before Stalin's death, and it seems probable that the new Government is going to make sure that the generals are on their side. In this connection one should also note the appointment of Brezhnev[16] as political administrator in the Navy.

26. The next few months should prove very interesting as the Government will have to establish a working relationship between the top leaders, continue its control and prestige in the satellites, maintain the alliance with China, reduce international tension, or at least stabilize relations with the rest of the world, and at the same time establish its popularity and authority inside the USSR without relaxing too much the pressure under which the Soviet peoples must be maintained if the heavy demands on them are to be met.

R.A.D. FORD

---

[13] A.A. Andreev.

[14] Maréchal A.M. Vassilevski, ministre de la Défense de l'Union soviétique (jusqu'en mars) ; ensuite, premier vice-ministre à la Défense.
Marshal A.M. Vasilievsky, Minister of Defence of Soviet Union (-Mar.); then First Deputy Minister of Defence.

[15] Maréchal G.K. Joukov./Marshal G.K. Zhukov.

[16] Léonide Brejnev./Leonid Brezhnev.

998. DEA/7802-40

Le chargé d'affaires en Union soviétique
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union
to Secretary of State for External Affairs

DESPATCH 272 Moscow, March 31, 1953

SECRET

SOVIET FOREIGN POLICY

Reference: My Despatch No. 274 of March 31, 1953.

In my despatch under reference I attempted to analyse recent developments in Soviet internal affairs. In this despatch I shall outline the steps the new Soviet Government is taking in the field of foreign affairs and try to estimate what the intentions of the regime are.

2. Any solid analysis of what the foreign policy of the new Government is likely to be must depend to a large extent on an estimate of the men who run it, and their support in the Soviet Union. This is extremely difficult to do because of the paucity of material available which would throw any light on the personalities of these men.

3. I have seen many commentaries from abroad to the effect that the death of Stalin was a loss to the world because he was the great moderator, the man who really could keep the Soviet Union from plunging the world into war. I think just the contrary was the case. The world could hardly have reached its present sorry state without Stalin, and peace could have been had at any time in the last three years by a word from him. This is not the place for an examination of his character, but it seems to be that the Georgian highlander and professional revolutionary who had lived all his life dangerously was the kind of person who would play for great stakes and take very great risks, though it is true at the same time that he always seemed to know when to call a halt.

4. Malenkov, Beria and Khrushchev, on the contrary, hardly knew the world before the Revolution, were mere boys when it broke out and on the whole have come to the top through skill in handling the problems of governmental and Party administration. They are not revolutionaries in the sense that Stalin was, and I think that must make a great difference in their outlook. Furthermore none of them have been outside the Soviet bloc and must feel a certain lack of self-confidence in dealing with the outside world. Finally, Malenkov is a Russian (though probably with some Tartar blood), a man of the steppes, not of the mountains. All this is likely to lead to caution in handling foreign affairs, at least at the beginning.

5. One cannot, of course, ignore Molotov, who is an old Bolshevik, has travelled widely and has been closely associated with Stalin's foreign policy. He will undoubtedly be able to exercise a great deal more flexibility in his handling of foreign policy than his successor.

6. In addition to the character of the new men is the fact that there is no longer one supremely powerful and self-confident man at the head of the State. The men who do run things now plainly realize that they do not enjoy the same amount of popularity as Stalin did and are trying to adopt measures to increase their support and popular appeal in the country. I feel that before they can take a very firm line abroad they must first find out how strong they are internally. This will also apply in the satellites and particularly in China, the relations with which I am treating separately in my despatch No. 275 of April 2.†

7. I think also that the Soviet leaders have been for several months more anxious about the danger of war than for some time previously, and they may have genuinely believed that the change of regime might be the occasion for increased pressure from the West. Therefore their first acts have been aimed at reducing this pressure and increasing a feeling of greater willingness to co-operate with the West. In the following paragraphs I shall outline what these acts are:

(a) The speeches of Malenkov, Beria and Molotov at Stalin's funeral, and of Malenkov at the Supreme Soviet. The old abuse of the West was omitted, almost fervent declarations of peaceful intentions were made, and Malenkov declared that all problems could be solved peacefully, even with the United States.

(b) These statements have been followed up by a decline in the volume and nature of press attacks on the United States, and the "crimes" of the US in Korea have been played down. The press editorials have stressed again and again the Soviet desire for peace.

(c) In handling the case of the shooting of the Lincoln bomber, which was certainly not a premeditated act, the Soviet authorities took an unusually mild line, and proposed discussions to avoid such incidents in the future. There have been one or two smaller examples of greater willingness to co-operate in Berlin.

(d) Greater politeness has been shown to the diplomatic corps. We were exceptionally well treated at Stalin's funeral and at the Supreme Soviet, and Molotov has been quick to see a number of ambassadors, including the French, United Kingdom and Argentine.

(e) The United Kingdom Ambassador was suddenly called to the Foreign Ministry last week and informed by a very embarrassed Deputy Minister that the request to move from their present quarters, which had been presented practically as an ultimatum on Christmas Eve, was all a horrible mistake and, of course, they could stay on in the Embassy at Sofiiskaya if they wished.

(f) A few days later the United States Chargé d'Affaires was called to the Ministry and also told that they need not move from their present Embassy on Mokhovaya if they did not wish to. They have not made up their mind yet whether or not to accept this offer as their new building, which is nearly ready, may in the end prove more satisfactory.

(g) Visas were granted for nine publishers and editors of provincial US newspapers to visit the USSR. They arrived in Moscow on March 31.

(h) The Soviet authorities have agreed to send a warship to participate in the naval display at Spithead in connection with the Coronation.

(i) The Soviet authorities have offered to help to repatriate the United Kingdom civilian internees in Northern Korea. I understand from Sir Alvary Gascoigne[17] that there were nine of them. Molotov has now told him that two are dead, one cannot be traced, and the other six will be turned over shortly in Moscow, including Vivian Holt, the minister to Seoul.

(j) The French Ambassador has also been told that the Soviet Government will do all it can to find the twenty French civilian internees in Korea, though they claim they have not been able to trace all of them. Previously in the case of both the United Kingdom and French requests the Foreign Ministry had simply replied that they had no competence in the matter.

(k) The sudden agreement in New York on the appointment of a new Secretary-General of the United Nations.

(l) Finally, and certainly most important, the Chinese and North Korean offers to exchange sick and wounded prisoners of war in Korea, and to go on from there to negotiations for the exchange of other prisoners.

8. None of these items, except the last one, is in itself very important, but taken together they make a fairly impressive list of Soviet acts which, compared with the negative attitude of the last few years, certainly points towards a more co-operative attitude. I think personally that we should accept these at their face value and exploit the present Soviet policy for the purposes of peace, without necessarily accepting the view that the Russians have modified their ultimate aims. It may be that they wish to reduce tension a little bit in order to gain time to consolidate their internal position, or it may mean that they have decided the moment has come to attempt seriously to develop a modus-vivendi for the two systems. Whatever their ultimate purpose, I hope we in the West will not make the mistake of thinking the Russians are on the run and attempt to exert great pressure on them in order to cause the collapse of the system, or to get really big concessions such as an Austrian Treaty, and so on. Perhaps this will come in due course, but for internal reasons the Russians cannot cede too much at first, and outside pressure would only, in my opinion have the effect of rallying public support around the new leaders.

R.A.D. FORD

[17] Ambassadeur du Royaume-Uni en Union soviétique.
Ambassador of United Kingdom in Soviet Union.

999. DEA/2462-40

Le chargé d'affaires en Union soviétique au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union to Secretary of State for External Affairs

TELEGRAM 45 Moscow, April 4, 1953

CONFIDENTIAL

Molotov has now received all Ambassadors and Ministers. This afternoon he is to receive the United States Chargé d'Affaires on the latter's request. It is a courtesy visit but he will also on instructions raise the question of United States civilian internees in North Korea.

2. Do you think it would be appropriate for me to ask for courtesy call on Molotov? In view of the present more co-operative Soviet attitude it might also be possible to raise the question of Petsamo payment.[18]

1000. DEA/2462-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires en Union soviétique

Secretary of State for External Affairs to Chargé d'Affaires in Soviet Union

TELEGRAM 39 Ottawa, April 6, 1953

SECRET. IMPORTANT.

CALL ON MOLOTOV

Reference: Your telegram No. 45 of April 4th.

It would be in order for you to call on Foreign Minister if he is receiving whole diplomatic corps including Chargés d'Affaires.

If you see him you should, on behalf of Canadian Government, welcome the cooperative attitude in certain matters shown recently by Soviet authorities and, specifically, assurances given by Molotov that Government of Soviet Union will support progress in negotiations leading to peaceful settlement in Korea.

You should not, repeat not, raise question of Petsamo during interview.

[18] Voir les documents 1034-1040./See Documents 1034-40.

1001. DEA/2462-40

Le chargé d'affaires en Union soviétique
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union
to Secretary of State for External Affairs

DESPATCH 330 Moscow, April 17, 1953

SECRET

CALL ON MOLOTOV

Reference: My telegram No. 48 of April 16, 1953.†

On receipt of your telegram No. 39 of April 6, authorising me to request an interview with the Soviet Foreign Minister and to transmit a message from you, I asked to see the Chief of Protocol. He received me on April 9 and said he would inform the Minister of my request. Three days later the Protocol Department telephoned to say that Mr. Molotov would receive me "shortly". The morning of April 16 they telephoned again to ask me to come that afternoon at four-thirty.

2. Mr. Molotov received me in his office in the new Ministry of Foreign Affairs, where in fact he now sees most foreign representatives. There were only slightly more than the usual number of security police in evidence. I was taken by a member of the Protocol Department to an antichamber, and before I had a chance to sit down a secretary announced that the Minister was ready. I passed through two more antichambers and then into a large conference room, simply but well furnished. There was not a paper or document to be seen in any of the rooms.

3. At the precise moment I entered the conference room a door at the opposite end opened and Mr. Molotov appeared. He advanced to meet me and greeted me cordially, inviting me to sit down at a long conference table. A secretary who took everything down in shorthand was the only other person present.

4. Mr. Molotov commented on my Russian, which language we spoke throughout, though I repeated your message in English to make sure that there was no ambiguity. I replied that I was a "starii Moskvitch", an old Muscovite, having been secretary of the Embassy for a period after the war, to which he replied: "Oh yes, I know that". I then spoke briefly about the Conference of Foreign Ministers on Germany in Moscow in the spring of 1947 and said I had had the honour of meeting him then. He replied that that had been an interesting period.

5. After a brief pause I said I had been instructed by you to transmit a message from the Canadian Government. When he indicated his assent I stated that the Canadian Government welcomed the co-operative attitude in certain matters shown recently by the Soviet authorities and the special assurance given by the Foreign Minister that the Soviet Government will lend their support to negotiations leading to a peaceful settlement of the conflict in Korea.

6. Molotov replied asking me to thank you for the message and said he was pleased to hear the view of the Canadian Government. He went on to say that the

policy of the Soviet Government had always been directed towards a peaceful solution of the Korean and other international questions. He added that he sincerely hoped that the hostilities in Korea could be terminated shortly. I said that the Canadian Government also wished for a peaceful settlement in Korea, and he reiterated that he hoped for a speedy truce.

7. Mr. Molotov's statement that the Soviet Government had always worked for peace in Korea is the kind of reply which would come quite naturally and which one might have been tempted to question. But the way in which he said that he sincerely hoped for an end to the hostilities seemed to put a different emphasis on his statement.

8. Mr. Molotov then changed the conversation to general matters. He asked me how I liked the Moscow winter. I replied that I felt quite at home as it was very much like the Canadian winter. He answered that unfortunately all he knew of Canada was the airport at Edmonton and that had been spoiled by the fact that his plane, on its way from Alaska to San Francisco for the United Nations Conference in March 1945, had had to circle the city for about an hour before it could land because of heavy fog.

9. Mr. Molotov mentioned Mr. Wilgress and asked me what he was doing now. He seemed very interested when I told him and requested me to send him his best wishes. He said he remembered him very well from the years when Mr. Wilgress had been Canadian Ambassador in Moscow. I half expected from this opening that he was going to raise the question of the restoration of normal diplomatic relations, but he did not pursue the subject further.

10. On leaving I thanked him for having received me, to which he replied that it was natural for him to want to know better the foreign representatives in Moscow. The interview lasted about ten minutes and he was extremely pleasant throughout. He seemed relaxed and in good health and spirits, infinitely more so than when I last saw him at the Supreme Soviet. This is the impression of most foreigners who have talked with him recently, and it may be in fact that the death of Stalin has removed a great load from the shoulders of all these men.

11. This is, I believe, the first time the Soviet Foreign Minister has received the Canadian representative in Moscow since Mr. Wilgress paid his farewell call on Mr. Molotov in April 1947.[19] It was useful in this sense, therefore. The reiteration of the assurance of Soviet intentions in Korea is also a useful piece of information since it tends to confirm the other bits of evidence we have that this time the Russians mean business.

12. The fact that he received me at all is also further proof that, for the moment at any rate, the Soviet authorities have adopted a more friendly and conciliatory attitude towards the Western representatives in Moscow. Even Mr. Vyshinsky was extremely elusive and very seldom saw the ambassadors accredited in Moscow. To date, incidentally, Mr. Molotov has seen most of the ambassadors and ministers,

---

[19] Note marginale:/Marginal note:
No. Mr. Watkins was received by Mr. Vyshinsky while he was Foreign Min[ister]. M.A. C[rowe]

but only the then Chargé d'Affaires of the United States, Mr. Beam, who had business to take up with him, and the Chargé d'Affaires of Mexico who had to wait for almost a month for his interview.

R.A.D. FORD

1002. DEA/2462-40

Note du Bureau du Conseil privé pour le secrétaire du Cabinet

Memorandum from Privy Council Office to Secretary to Cabinet

CONFIDENTIAL Ottawa, April 20, 1953

CONVERSATION WITH MR. ROUDCHENKO[20]

During the past two and a half years I have maintained somewhat perfunctory relations with the Soviet Embassy. We have apparently been on their official list, although we have been able to accept about half their invitations. In the early autumn of 1951, the Counsellor of the Embassy, Mr. Roudchenko, after much dissembling, invited me to lunch. In those days, social functions à deux with Soviet officials were relatively rare. Although the conversation was amusing and interesting in its way, nothing of substance was discussed and Roudchenko was greatly at pains to avoid topics related to foreign affairs or work in general.

A few weeks later, Roudchenko accepted an invitation to dinner at our home; John Watkins[21] was also present. It was, as far as I know, the first occasion since 1945 that a Soviet diplomat had come to a Canadian home in such circumstances. We took him to a Shaw play at the Repertory Theatre and he compounded the infraction of official Soviet customs by returning afterwards for a drink which lasted until after midnight. During that memorable evening the conversation was safely dull. The only tangible result was a series of overtures, from Embassy officials high and low, who said how they, too, would like to see the Canadian theatre. We suggested they buy season tickets.

Although I saw Roudchenko briefly at the Embassy last November 7, I did not really talk to him for a year and a half before he telephoned me Friday night to say that he was anxious to speak to me in private. The repetition of this phrase, and other vague allusions, gave an air of mystery to the luncheon meeting which he proposed. In the event, it was extremely interesting.

We lunched Monday noon at La Touraine. I had assumed that our pleasantries of the past were at an end for two reasons. First, since our last meeting, the Bureau of Current Affairs had published my pamphlet on Soviet politics which no Soviet official could regard as friendly. Second, I at last had evidence that the Embassy had become aware of my lecturing activities at Carleton College, and indeed had flat-

[20] S.L. Roudchenko.

[21] J.B.C. Watkins, ancien chargé d'affaires en Union soviétique, était chef de la Direction européenne en 1951.
J.B.C. Watkins, former Chargé d'Affaires in Soviet Union, was Head, European Division in 1951.

tered me to the extent of suggesting that a member of their staff might enrol as a student of Soviet Government!

On Monday in our conversation Roudchenko did me the honour of sparing the usual panegyrics about the great Soviet Union and the customary barbs about the United States. The purpose of the meeting was to impress me with the fundamental change of policy which Stalin's death had brought. Although I repeatedly and provocatively brought up the name of Stalin, quoted Stalin's words, and asked if they were still valid, he paid no lip service to the dead leader and went so far as to say with great emphasis: "Many, many, many things have changed since Stalin died." There was no subject from which he veered away, even when I introduced fundamental ideological points or nasty popular issues such as freedom of travel. In general, he was trying to give the impression — he is not exactly skilled in the subtleties of diplomacy — that we should talk business. He early made a speech that I "knew" Soviet Government and Soviet policies — not "sympathized with", or even "understood"; I knew the language and had long studied Soviet affairs. He implied that he knew that I was not a Communist, and that I knew that he was not a Western democrat. We all had our own ideas and should agree to differ. This was the time for accommodation. It was important that Canadians should see Soviet policy had changed fundamentally and that we should not be misled by our preconceptions of the past. It was to our mutual interest that we grasp the extent and significance of the change. Much of what he said would have been rank heresy in the mouth of a Communist (whether he is a member of the Party I do not know) a short time ago. He almost admitted that the Soviet Union had been wrong in some of its past restrictions, and he practically said that until now leaders had taken too rigid a view of the future Marxist development of the Soviet state.

Roudchenko's words might have more significance if he were a man of greater subtlety or importance, or if he were talking to a more important audience. One cannot ignore his conversation, however, since it was so obviously made under instructions and since he was so anxious, through endless repetition, to make points which he hoped would be considered by my associates. In these circumstances, I thought that you would be interested in the fact of the conversation; a fuller account of it is recorded in the attached memorandum.†

R.A.J. P[HILIPS]

1003. DEA/7802-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

Ottawa, May 2, 1953

SOVIET PEACE OVERTURES[22]

One of the dangers implicit in the present Soviet peace overtures is the disillusionment which may follow in their tread if it proves either that the Soviet Government has no intention of serious negotiation or that negotiations prove discouragingly long-drawn out and the results attained seem meagre. A period in which hopes of a genuine settlement were raised in the West followed by a phase of deepening distrust in the fulfilment by the Communists of any agreements reached would create a situation more dangerous than that of the present cold war. There would then be a tendency to feel that all approaches had been tried, that all possibilities of negotiation had been explored and that nothing now remained but war as a solution of outstanding problems. Such a mood of disillusionment and impatience, particularly if it should develop in the United States, would be most dangerous.

2. Thus a period of better relations with the Communist world would present new problems. This would be particularly true if the approach to negotiation with Communist countries was at all an emotional one as it tends to be in the United States where opinion fluctuates so quickly from illusion to disillusion. Initial trust in the intentions of the Soviet Government can only lead to deepening mistrust in the performance of the Soviet Government. Belief in the possibility of co-operation with the Communist world can only lead to disappointment at the essentially uncooperative attitude which is implicit in the Communist faith. Expectations of Soviet "sincerity" are only too likely to be followed by embittered accusations of Soviet "insincerity". It is, therefore, very desirable that public opinion in Western countries should view the possibility of negotiation with realism and to realize from the start that any agreements which the Soviet Union enters into will be honoured only until the next twist of the Party line makes it desirable to dishonour them and that the Soviet Government will always implement its international obligations in the fashion most advantageous to the Soviet Union. If the West should become relatively weaker the Soviet Union would no doubt jettison any agreements attained. Anything that can be said to put the problem of negotiation with the Soviet Union to the public in realistic terms would be helpful. Unfounded hopes of a general and early settlement with the Soviet Union would be raised by the prospect of a "top-level meeting", e.g., between President Eisenhower, Churchill and Malenkov. A "top-level meeting" at the present time would be likely to produce precisely the

[22] Voir aussi le document 259./See also Document 259.

reaction most to be feared. It would be enormously publicized, would raise hopes and can settle nothing.

3. For none of the larger differences between the Communists and the Western world are susceptible of settlement now and by the stroke of a pen. This applies to the unification of Germany, the unification of Korea, the solution of Indo-China, the disposition of Formosa and the admission of Communist China to the United Nations. This is not to say that these problems are insoluble but they are soluble only over a fairly long period of time and by a gradual process. The example of the prisoners of war issue in relation to the Korean armistice is instructive from this point of view. If agreement is reached on this question at Panmunjom it will not have been reached by a brief encounter of top-level political figures in a blaze of publicity but by long-drawn out negotiation, sometimes behind the scenes, sometimes in public. If the compromise finally reached represents a concession by the Communists, that concession will be masked by propaganda and by face-saving slogans.[23]

4. These observations may also apply to the projected political conference on Far Eastern issues. It is quite improbable that such a conference can, in the present political atmosphere, reach a real settlement of Far Eastern issues. If early and spectacular results are expected of the conference, it may be foredoomed to failure. Indeed, it is rather difficult to understand the light-heartedness with which Mr. Dulles seems to approach such a meeting when the possibilities of discord between the United States and its friends and allies, not to mention discords within the United States are considered. We have yet to learn that the State Department has arrived at any proposals to be put forward at such a meeting on Korea, Indo-China, Formosa or the admission of Communist China to the United Nations. Even if the State Department had firm positions for negotiation on these questions and had obtained the approval of President Eisenhower for them, it would certainly take many months to obtain Congressional support.

5. The only way in which it seems possible to envisage a useful political conference on Far Eastern questions would be, as you suggested the other day, to refer the outstanding problems to a continuing body responsible to the United Nations, which would report progress (or the lack of it) from time to time to the General Assembly. Any real solution to the problems would have to be the patient work of months of negotiation. The question of the Soviet veto would not in reality arise if the object of these negotiations was to secure agreement. The Soviet and Communist Delegations would, of course, possess the veto in the sense that no-one could oblige them, by majority vote, to enter into any agreements which were not acceptable to them.

6. It is not proposed in this note to consider the lines along which a settlement in Korea might be reached. A memorandum prepared in the Far Eastern Division will shortly be submitted to you on this subject.† It is fairly obvious, however, that the possibility of attaining an agreed unification of Korea is extremely remote. On the

[23] Note marginale:/Marginal note:
?

other hand, it would presumably be impossible for the United States, and probably for other members of the United Nations to abandon the ideal of the unification of Korea. The principle might have to be maintained as a target to be aimed at. In practice Korea might remain divided, probably for a long time. Similarly the principle of the withdrawal of forces from Korea might be acceptable to both sides. In practice, however, troop withdrawals would have to be staged over a period of time. Meanwhile, continuous negotiation with the Communist Chinese would be going on. This in itself would be important but, as you have pointed out, the only solution to the problem of the admission of Communist China to the United Nations would be a gradual and indirect one so that the United States would, bit by bit, become used to the practice of negotiation with the Communist Chinese within a United Nations framework.

7. The first step obviously is to take the heat out of Far Eastern issues in so far as this is possible and the first step towards this first step is the cessation of actual fighting in Korea (and perhaps in Indo-China). Then would follow a lengthy period of negotiation which might lead to the attainment of partial and precarious compromise in the Far East. During this whole period we in the West would have to avoid two things, first the demand for ultimate and ideal solutions which are unattainable without war and, secondly, any relaxation of our diplomatic vigilance and military preparedness. For at the first exhibition of weakness or gullibility on our part the whole fragile structure of a negotiated settlement might collapse.

8. Although these considerations are very familiar to you and can make no claim to originality, they may be relevant lest by any chance we should be approaching a period when negotiation with the Communist world may be possible. It would be disastrous if public opinion in the West and particularly in the United States came to hope that negotiation would obtain impossible results and opened up the prospects of an era of true cooperation with the Communists. For the failure of such hopes would lead to increased dangers of war.

C.S.A. R[ITCHIE]

1004. DEA/50028-V-40

Note du sous-secrétaire d'État par intérim aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Acting Under-Secretary of State for External Affairs to Secretary of State for External Affairs

TOP SECRET Ottawa, October 5, 1953

OBSERVATION OF NEW SOVIET LONG-RANGE BOMBERS

As you know, up to the present time there has been no evidence that the Soviet Union has had a long-range bomber in operational use. The largest Soviet combat bomber has been the TU-4, a medium bomber which is a copy of the US B-29 and is capable of carrying atomic bombs on one-way missions to the heartland of North America.

Recently two more advanced Soviet bombers have been sighted by the service attachés and other officials of the US, UK and Canadian missions in the Soviet Union. These two new long-range bombers are:

(1) A large bomber, probably a jet engine type, similar in design and size to the US B-52 (which is a larger version of the B-47 which recently made the non-stop trans-oceanic flight to the United Kingdom and had sufficient fuel left over to fly to North Africa if required by weather conditions). This plane has only been seen from a distance of three miles and details on it are therefore still vague. From preliminary examinations of the photographs of this plane it would appear, however, that it would be capable of carrying atomic and hydrogen bombs and would have sufficient range to attack important targets on this continent on two-way missions;

(2) The type 31 bomber. Previously this aircraft had only been seen at the 1951 Soviet Air Show. In the last few months a number of these aircraft have been sighted in both Moscow and Kazan. The plane is comparable to the US B-36 but believed to have a better performance than the American plane, and is powered by four turbo-jet engines. It would have the capability of carrying atomic and hydrogen bombs and is estimated to have sufficient range to attack targets on this continent on two-way missions.

The present RCAF interpretation of these sightings, which is in line with the RAF and USAF views, is that it appears that the Soviets have a prototype of a long-range heavy bomber but that it will probably take from three to five years before these aircraft will appear in operational units. In the meantime it seems that a shorter range heavy bomber, the type 31 aircraft, has gone into production in limited numbers as an interim long-range bomber.

The development of these Soviet heavy bombers may usefully be viewed in connection with Soviet developments in the thermonuclear field. The Soviet Union has already announced the possession of a hydrogen bomb. From filter analyses made on this continent it appears that the Soviets have exploded a prototype of an H bomb and not merely conducted a preliminary thermonuclear explosion. The Soviet Union has apparently skipped the first stage of thermonuclear experimentation and exploded a bomb somewhat similar to that employed in the Einewetok explosion of 1951. In practical terms this means that the gap in thermonuclear research between the USSR and the United States has been considerably reduced and that in the course of the next few years the Soviet Union might conceivably draw level with or even overtake the United States.

It seems reasonable to assume that the Russians will in the foreseeable future have a supply of H bombs and the vehicle for delivering them on enemy targets. The implications in the sphere of global planning are only just beginning to be studied. However I think it is fair to say that this will give the Soviet Union considerably more striking power to use against North America in the event of a general war. Previously it has been thought that the Soviet concept of a war would follow the line that it would be impossible to defeat the entire Western World at one time, since it would probably be impossible to defeat decisively the principal enemy, the United States. Consequently the USSR would have to take two bites at the cherry by first overrunning most of the Eurasian land mass and creating a strong defensive

position from which it would be possible at a future date to continue the war against the United States. Now the Soviet Union might conceivably believe that it would have the capability of defeating the West in one war.

These developments, I feel, reinforce the emphasis which Canada and the United States have placed on the importance of North America in Soviet strategy. As you know, we and the Americans have always considered that North America would be a major target in a general war and that the Soviet Union would attempt attacks on this continent in order to disrupt seriously the war effort of Canada and the United States and to force the United States and Canada to retain more military forces on this continent than would otherwise have been required for home defence. Moreover we have never ruled out the possibility of temporary seizure of strategic points in Alaska by means of airborne and amphibious operations. The United Kingdom on the other hand has considered that the Russian effort would be concentrated in Western Europe and that any attacks made on this continent would be minor in nature and be for diversionary purposes only, at least in the initial stages of the war.

Soviet possession of the hydrogen bomb and the means of delivering it on targets on this continent will probably give the USSR a relative advantage in this field over the western powers. Suitable targets for the H bomb are areas of large concentrations of population and/or industry, and there are more of such targets in North America than in the USSR. It is worth noting also that the total number of such targets even in the US is limited and that therefore a large stockpile of these bombs would not seem to be required. Probably something in the order of 25 to 50 bombs would be all that is necessary.

It is interesting to note the way in which the Russians have let the West know that they possess these weapons. The H bomb was announced publicly by Malenkov. In the case of the long-range bombers I am inclined to believe that the Soviet Union was willing to let the West know that these aircraft existed. Possibly they intended to have the type 31 planes seen near Moscow fly in the 1953 Air Show, but in any case they could presumably have kept these aircraft and the new large bomber in restricted areas if they did not wish knowledge of their existence to become known. On the whole the Soviet Union probably had more to gain than lose by this demonstration of potential strength. It may have wished the West to think that Russia is further ahead in this field than it actually is.[24]

Moreover it probably hopes to see a significant shift in emphasis take place in United States defence planning from strategic air offense to continental defence, which might weaken not only the strategic air build-up but the defence effort in Western Europe.

C.S.A. R[ITCHIE]

[24] Note marginale:/Marginal note:
or to offer evidence of a "deterrent" kind. [L.B. Pearson]

1005. DEA/5198-40

Le chargé d'affaires en Union soviétique au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union to Secretary of State for External Affairs

DESPATCH 858 Moscow, October 19, 1953

SECRET

A SURVEY OF INTERNAL DEVELOPMENTS IN THE USSR FROM THE 19TH PARTY CONGRESS TO OUR DAY

A technocratic reorganization of the Government apparatus, a call for collective leadership in the Party, a more pro-consumer economic (and particularly agricultural) policy and a relaxation of the nationality policy seem now to be the four main points of the reforms made by Stalin's successors since the beginning of last March.

2. I have already tried to explain these reforms by the existence of certain social and economic pressures arising:

(a) from the difficulty of maintaining the tempo of industrial growth (which had fallen from +23% in 1950, to +16% in 1951, to +11% in 1952);

(b) from the difficulty of maintaining a steady increase in the labour force (which had grown by 2,000,000 in 1950, by 1,160,000 in 1951 and by 900,000 in 1952);

(c) from the difficulty of maintaining the tempo of the growth of labour productivity (which was +12% in 1950, +10% in 1951 and +7% in 1952);

(d) from the dissatisfaction of the population with the absence until Stalin's death of any significant pro-consumer trends in the second postwar five-year plan (the rise in sales to the population had tapered off from +25% in 1950, to +15% in 1951, to +10% in 1952);

(e) from basic difficulties in the rural economy which subsequent statements have revealed to be leading "straight to ruin", as Khrushchev admitted.

3. You will recall that I began speculating about the above social and economic pressures as soon as the results of the plan for 1952 had become known (cf. my despatch No. 139 of February 12, 1953†). If these pressures existed already under Stalin, if the "collective leadership" reform was germinating in the new Party by-laws adopted by the 19th Party Congress and, together with this, if the economic reforms appear in retrospect to be founded essentially on the basic law of socialism as "discovered" by Stalin in his "Economic Problems of Socialism in the USSR", then we are led back to events preceding Stalin's death.

4. In this despatch I would like to try to survey developments over the past year in order to trace their probable origin, and to show how they are reflected in the variations in the alignment of forces and personalities, the possible conflicts of opinion among the top Party leaders, and how current developments are affecting

and might in the future affect these reforms. This study is by no means conclusive and of necessity does not cover all aspects of the very complex internal situation.

5. It is now approximately a year since the 19th Party Congress met, and this constitutes our first clear landmark, as it dealt with all the many issues of Soviet internal affairs, including economic policy, Party matters and the nationality question. These issues were naturally touched upon by several speakers at the Congress, but the most interesting performances were those of Malenkov, who took over Stalin's role as rapporteur, Beria, who took over Stalin's mantle on the nationality question and Khrushchev, who introduced the new Party by-laws.

6. I have asked Mr. Trottier[25] to analyse their respective speeches and the Congress materials in general to see if there is something which had escaped us at the time and which might have foreshadowed, directly or indirectly, some at least of the reforms and events which we have witnessed since the Congress. Our research has yielded interesting results, showing that certain statements made last October correspond, virtually word for word in some cases, with statements or newspaper editorials published subsequently in connection with the most important developments in the internal field.

7. The documentary evidence for this research is to be found in Annex A.† Briefly it shows that many of the lines of development followed after Stalin's death were hinted at in the speeches delivered at the Party Congress. For example, Beria was the only Soviet leader who mentioned the question of "national cadres" at the Congress. When *Izvestia* published an editorial early in June concerning the campaign for the promotion of national cadres, its wording was almost identical with that of Beria's speech.

8. Malenkov also hinted at the need to give more food to the people and more raw materials for light industry "in the next few years", which has since become explicitly defined in the two-three year programme which he outlined to the Supreme Soviet on August 8. Malenkov also criticized the lack of efficiency in governmental organizations, and one of the first things he did on taking office was to order a complete governmental re-organization. He also spoke at the Congress in favour of decreasing administrative staff, one of the favourite themes since then. Finally, he gave an interesting insight into the campaign launched after Stalin's death to prevent the Party from "supplanting Soviet and economic organs", in order merely to assist them.

9. Khrushchev did not say anything at the Congress on any of the points dealt with by Malenkov and Beria. He dealt strictly with the new Party by-laws, which in itself gives an indication of his importance in Party affairs, if not directly on policy matters. As for his silence on policy matters, it is in line with, and it might explain, the fact that he did not figure prominently in the March reforms. He was vaguely assigned "to concentrate on work in the Central Committee". However, this is not an accurate reflection of his real importance, either at the Congress or in March, or

[25] P. Trottier, troisième secrétaire, ambassade en Union soviétique.
P. Trottier, Third Secretary, Embassy in Soviet Union.

at any time since then. His importance can better be measured by the following three indices, which I list in chronological order:

i) At the time of the Congress, he was the only one with Malenkov to have his picture reproduced in the press on a width of two columns, with the text of his speech;

ii) On January 13, *Pravda*'s enumeration of the Soviet leaders who had attended the Polish opera presentation at the Bolshoi put him in the No. 6 position, a gain of two places in comparison with earlier listings;

iii) He is now officially No. 3 and First Party Secretary.

10. There can be little doubt that before and during the Congress most involved manoeuvring was going on among Stalin's lieutenants, with he himself playing an uncommitted game. It seems possible that he may originally have planned to build up Malenkov, and cut down Beria. But it also appears likely that he decided to build up Khrushchev, probably as a counterweight to the other two.

11. These manoeuvres of personalities could also be combined with the manoeuvre consisting in the publication of "Economic Problems of Socialism in the USSR" three days before the Congress. Stalin probably knew:

i) that Malenkov was thinking in terms of a more pro-consumer policy for the next few years; of a governmental reorganization; of putting the Party back in its place as an assistant, not an usurper or supplanter of Soviet and economic organizations; of liberalizing agricultural policy (Malenkov complained in his speech that "in many collective farms . . . the means of production are not attached to the brigades, a fact which leads to lack of personal responsibility" — this is the essence of the Venzher-Sanina[26] proposition which was severely criticized by Stalin in his treatise);

ii) that Beria was favourable to the promotion of national cadres; to national equality (Beria firmly declares in his speech that "in the struggle with the enemies of Leninism the Party advocated the Leninist-Stalinist nationality policy and ensured the complete and final overthrow of great-power chauvinism", read: great-Russian chauvinism); and to a quick passage to communism (Beria said in his speech that "the Soviet people has built (note the past tense) socialism and has entered the phase of the gradual transition from socialism to communism" while Stalin had attempted in his treatise to define strictly the three conditions for the *preparation* of the transition to communism).

12. It seems likely that Malenkov and Beria had only patched up their speeches with the hurried addition of a pious reference to his *Bolshevik* article in their very last paragraphs, and that Stalin knew this. It is interesting to note in this connection

[26] V. Venzher et A. Sanina étaient économistes.

Nous avons identifié, autant que possible, tous les Soviétiques nommés dans ce document; certains qui ne font pas l'objet d'une note figurent dans la Liste des personnalités, alors que pour quelques-uns, nous n'avons trouvé aucun renseignement.

V. Venzher and A. Sanina were economists.

In so far as possible, all Soviet persons named in this document have been identified; some for whom there is no footnote may be found in the List of Persons while for a few others no information was found.

that Bagirov,[27] the first man to fall after Beria in July, had also said virtually nothing to the Congress about Stalin's article, but had concluded his speech with the words: "The 19th Congress will go down in the history of the Party and of the Soviet people as the congress of the building of Communism". Furthermore, the Communist Party of Azerbaijan was, between the Congress and Stalin's death, the only republican party to have been criticized in the central press (*Pravda* on January 5) for a failure to propagandize Stalin's economics pronouncement.

13. All this does not necessarily mean that there was an out-and-out struggle over economic policy at the Congress. After all, the new five-year plan, though long delayed, had been safely adopted and ideas of a pro-consumer policy were not fundamentally in conflict with the basic law of socialism, defined by Stalin as "the maximum satisfaction of the growing material and cultural needs of the population". But there was probably a conflict over tactics, particularly measures and quantitative allotments to the various fields of the national economy. This conflict, without having been deadly as yet must still have been serious enough, judging by Beria's fall to the No. 6 position at the opening session of the Congress (cf. *Pravda* October 6). But Beria fought back for his No. 4 position and was successful enough to regain it at the closing session (cf. *Pravda* October 15).

14. It is interesting to note that, when the composition of the Commission for Revising the Party Programme was published, both Malenkov and Beria were on it but neither Khrushchev nor any of the other more important members of the Council for Collective Farm Affairs — Andrianov,[28] Andreev[29] and Patolichev.[30] It is surprising not to see a single agricultural expert on a commission which was to revise the Party programme in the light of Stalin's *Bolshevik* article (cf. text of resolution appointing the commission) in which so much attention was devoted to the vital question of collectivized agriculture. Malenkov was perhaps getting ready to impose a policy of "attaching" the means of production to the work brigades of the collective farms (cf. paragraph 11 (i) above); or it may be that Beria's ideas of a prompt transition to communism were winning. We have only circumstantial evidence showing that the economists propounding such ideas and policies, Yaroshenko,[31] Venzher[32] and Notkin, whom Stalin had all attacked vigorously and by name in his *Bolshevik* article, were still not doing their self-criticism at the November 4-5, 1952, session of the Academy of Sciences of the USSR (cf. *Problems of Economics*, No. 12, December, 1952). If they had not yet made their self-criticism despite the fact that Stalin's paper (a) had been produced in economic circles as far

[27] M.D. Bagirov, membre suppléant, praesidium du Comité central du PCUS; premier secrétaire, Organisation du parti en Azerbaïdjan (jusqu'en juillet).
M.D. Bagirov, Alternate Member, Presidium of CC/CPSU; First Secretary, Azerbaijan Party Organization (-July).

[28] V.M. Andrianov, membre, praesidium du Comité central du PCUS (jusqu'en mars).
V.M. Andrianov, Member, Presidium of CC/CPSU (-Mar.).

[29] A.A. Andreev, membre, praesidium du Comité central du PCUS (jusqu'en mars).
A.A. Andreev, Member, Presidium of CC/CPSU (-Mar.).

[30] N.S. Patolichev, membre suppléant, praesidium du Comité central du PCUS (jusqu'en mars).
N.S. Patolichev, Alternate Member, Presidium of CC/CPSU (-Mar.).

[31] Probablement/Possibly L. Yaroshenko.

[32] V. Venzher.

back as February, 1952, and (b) had been made official policy at the Congress, then it is logical to think that they must have had protection in high places. Malenkov and Beria are the only two sufficiently influential leaders whose speeches designate as possible "protectors".

15. At this juncture, it became apparent that the campaign for the enforcement of Stalin's economics testament had to be more thoroughly organized and orchestrated. Suslov thus entered the scene on December 24 with a full-scale attack on Fedoseev[33] accompanied by an ominous-sounding reminder of Voznesensky's[34] fate three and a half years earlier.

16. It is possible that Stalin thought that his two lieutenants were organizing his succession a little too rapidly and were clinging to their ideas of governmental and economic reorganization a little too obstinately for his liking. It also seems well in line with Stalin's devious mental processes that he should have called his lieutenants to order by making Suslov attack Fedoseev, and for good measure, by airing the three and a half year old Voznesensky affair, thus dictatorially reasserting his authority on matters of economic policy.

17. It also seems as though he was carrying on another indirect attack against his lieutenants via Pospelov. Pospelov as a new member of the Secretariat appointed after Stalin's death who now appears with the leaders in official photographs, as the main individual commentator on the "thesis" about the 50th anniversary of the Party and as the executor of Bagirov's purge in Azerbaijan — thus presumably a Malenkov man — had been removed after the Congress from his post as head of the Marx-Engels-Lenin Institute and was not given the job of delivering the address (which he had previously done for four years) on the anniversary of Lenin's death.

18. The temporary fall from grace of Fedoseev and Pospelov between the Congress and Stalin's death while other theoreticians such as Yudin,[35] Chesnokov[36] and Suslov were promoted, their return to favour after Stalin's death while the latter were falling back into secondary positions, is another yardstick by which to measure the probable quarrel which was going on between Stalin and his lieutenants.

19. Stalin appears to have been fighting for the survival of his economics testament. But also he seems to have been attempting to assure himself of his almost exclusive place, after death, in the Soviet hall of fame when he had (via Khrushchev) the name of the Party changed in order to drop the appellation of Bolshevik at the Party Congress. It now seems in retrospect as though he had been

[33] Probablement P.N. Fedoseev, rédacteur en chef de *Bolshevik*.
Possibly P.N. Fedoseev, editor of *Bolshevik*.

[34] N.A. Voznesensky, président du Comité d'État du plan, fut impliqué en 1949 dans l'«Affaire de Leningrad», comme on l'a appelée, et fut exécuté.
N.A. Voznesensky, Chairman of State Planning, was involved in the so-called "Leningrad Affair" in 1949 and was executed.

[35] R.F. Yudine, membre suppléant, praesidium du Comité central du PCUS (jusqu'en mars).
R.F. Yudin, Alternate Member, Presidium of CC/CPSU (-Mar.).

[36] D.I. Chesnokov, membre, praesidium du Comité central du PCUS (jusqu'en mars); co-rédacteur en chef de *Kommunist*, (autrefois *Bolshevik*).
D.I. Chesnokov, Member, Presidium of CC/CPSU (-Mar.); Co-editor of *Kommunist* (formerly *Bolshevik*).

suspecting and trying to anticipate his lieutenants' desire to return to Leninism when he tried to reduce the place of the Bolsheviks in the Party history. When *Pravda* on October 14th published the decision to change the name of the Party, this was done in large, heavy type, in a full spread across the entire front page. *Pravda* said that the appellation "Bolshevik expressed only the historical fact — which had already long lost significance — that at the second session of the Party in 1903 the Leninists gained a majority of votes . . .". Stalin may thus have been anticipating the intention of his lieutenants to celebrate that second session of the Party and thus to reduce (as they did) his position and role in the history of the Party.

20. Meanwhile, he had been trying to drown the authority of his lieutenants in the enlarged Politburo-become-Presidium. In the two official pictures published after the Congress (one of the Bolshoi Theatre meeting on the eve of November 7 and of the reviewing stand on Red Square on November 7), he was juggling them round, and the official order of precedence had given way to the laconic mention of "Stalin and his comrades-in-arms".

21. But these tactics do not seem to have been successful. Even if Fedoseev answered Suslov's[37] attack by making his self-criticism on January 4th, and even if chief editor of *Problems of Economics* Ostrovityanov[38] followed suit a few days later together with economists Leontiev,[39] Gladkov, etc. — the quartette of Yaroshenko, Notkin, Venzher and Sanina,[40] who had been criticized by Stalin himself, abstained completely from the demanded ritual. There is no firm answer possible to the question as to whether they were being protected again, but it is to be noted that their possible "protectors" emerged out of the anonimity of the laconic "Stalin and his comrades-in-arms" designation into their usual positions when *Pravda* for January 13, on the same front page which carried the news of the doctors' affair, reported the attendance at the Bolshoi on the previous night of "Stalin, Molotov, Malenkov, Beria, Voroshilov, Khrushchev and others". An explanation of this might be found in the revelation by Stalin's successors in March that a Bureau of the Presidium had been formed, but contrary to the provisions of the by-laws.

22. Be that as it may, matters seem to have somehow gotten out of hand for about a week or ten days after the announcement of the doctors' plot. Perhaps Stalin's lieutenants, or at least the more influential of them or the more liberal of them, were beginning to think that the old man had gone too far and that the enforcement of his economic testament by fear tactics was dangerous for the country. Unfortunately, we may never know what really happened behind the scenes as *Pravda* deprived us of a possibly precious clue by not publishing any picture of the Party leaders on the anniversary of Lenin's death.

---

[37] M.A. Souslov, membre, secrétariat du praesidium du Comité central du PCUS.
M.A. Suslov, Member, Secretariat of Presidium of CC/CPSU.

[38] K.V. Ostrovityanov, vice-président et directeur, section des Sciences sociales, Académie des Sciences de l'Union soviétique.
K.V. Ostrovityanov, Vice-President and Director, Department of Social Sciences, Academy of Science of Soviet Union.

[39] W. Leontiev.

[40] A. Sanina.

23. We do know, however, that the speech delivered on that occasion (by Mikhailov)[41] contained but a short and rather cursory reference to the doctors' plot, which from there on petered out into a campaign against agents and spies of the West, but relatively even more so against gullibility, window-dressing, carelessness, complacency over past successes in the development of the country, thereby pointing to the economic difficulties as being the basic concern of the Soviet leaders, while they may have been arguing and disagreeing behind the scenes as to how to meet them.

24. Thus I think it is safer to say on the basis of the available evidence that, in the five-month period between the Congress and Stalin's death, the behind-the-scenes struggle was being waged by a Stalin who, since the Voznesensky affair, had not succeeded in imposing definitively his economic doctrines, who was anxious to make his posthumous position safe and to ensure future adherence to his economic testament, and who could not finally make up his mind about the succession.

25. That Stalin let the economics dispute go on for almost four years and that he died in the course of an unsuccessful attempt to settle it, as subsequent events have shown, may be taken as a sign that the Soviet body politic had outlived Stalinism or at least had developed contradictions the solution of which proved to be beyond Stalinism and Stalinist tactics. These contradictions are reflected in the alignment of forces as I have tried to show it in the light of the speeches and other Congress materials. At the time of Stalin's death they probably stood as follows:

(1) the growing class of technicians, probably headed by Malenkov, who under his leadership probably wanted to carry out the Soviet version of a managerial revolution;

(2) the Police, headed by Beria, who realized that his authority was being cut down;

(3) the Party, accustomed to controlling everything and apparently divided between those (Khrushchev probably) who wanted to go on controlling and those (Malenkov) who wanted to give some rope to the growing technocrats;

(4) the Army, probably also divided between its careermen and its Partymen.

26. Basically, however, the division is between the liberals and the non-liberals and from the above enumeration it is easy to classify as liberals those who are willing to take into account the growing technocrats and the growing minorities and as non-liberals the tough Party leaders accustomed to control and the Great Russians whose seat of power probably resides essentially in the Army.

27. Another division might also be made between Leninists and Stalinists, which would roughly correspond to the preceding one — the Leninists being those who correspond to the 1920 Bolsheviks who had to woo the then Tsarist intelligentsia of managers into new cadres and also to woo the national minorities into the Union of Soviet Socialist Republics; the Stalinists being those accustomed to control and not

---

[41] N.A. Mikhailov, ancien premier secrétaire du *Komsomol*, (Organisation de la jeunesse communiste) et secrétaire, Comité central du PCUS (jusqu'en mars).
N.A. Mikhailov, former First Secretary of *Komsomol* (Communist Youth Organization) and Secretary, CC/CPSU; Member, Presidium, CC/CPSU (-Mar.)

to woo. The Great Russians are probably allied with the latter but the alliance must be basically an uneasy one because Stalinism has not always been kind to those (viz. Zhukov)[42] who were too popular in Great Russia. However the alliance can be a strong one over a given period of time because of the Great Russians' dislike of the minorities and because of the Army's dislike of any efficiency reforms of the technocratic managerial class which might take into account the national economy's budget more than the military budget. I will come back to this further below.

28. In attempting to explain the events of the period between the Congress and Stalin's death, I have telescoped into that period much of what has happened since March. I have covered the events since March pretty thoroughly in various despatches. Briefly to resumé, it appears:

1) that Malenkov has carried out his governmental reorganization and his foreign economic relations policy; that "the next few years" for which he had promised a pro-consumer policy have become the object of a two-three year plan; that he has made an attempt at putting the Party in the role of assistant and not of "supplanter" of the Soviet and economic organs — all of which reforms were announced in his speech to the Congress;

2) that Beria attempted first to restore his personal position, with some success, and the prestige and power of the police even though this involved in the process pledging respect for legality and weeding out the anti-Beria elements (see the developments connected with the release of the doctors); that in doing so he may have decided to array on his side the sympathy of the national minorities (though this is not certain); that his bid for power or at least to retain his position precipitated exactly the opposite result, necessitating his removal.

29. The above shows that Malenkov was a "economic-organizational" liberal, while Beria was a "social-cultural" liberal. As I said in my despatch No. 747 of September 3, 1953,† of the members of the government after Stalin's death, "some (i.e. Malenkov) wanted economic liberalism and others (i.e. Beria) wanted social liberalism", though of course this phrase must be used with reserve since it does not accurately reflect what we mean by "liberalism" in the West.

30. After the elimination of Beria it seemed probable that only Malenkov had been high enough in the hierarchy effectively to oppose Beria; it seemed that Beria had been essentially a tough one, a Stalinist because he was like Stalin a Georgian, who wanted to buy popularity with social reforms that would not directly affect his presumably conservative Stalinist economic policy and who was promoting "legalism" only to cut down the para-legal activities of the Party in order to promote the rule of his MVD.[43] However, this assessment presupposed, as a premise, that Malenkov had had the Party, and Khrushchev in particular, fully behind him. This at first seemed to be the case, as Malenkov acted as rapporteur and directed the plenum where Beria's expulsion was decided.

---

[42] Maréchal G.K. Joukov./Marshal G.K. Zhukov.

[43] Ministère de l'Intérieur.
Ministry of Internal Affairs.

31. This hypothesis unfortunately fails to take into account the tensions between the Party and the Government, which wanted the former merely to assist it, not to supplant it. It also failed to take into account the role of Khrushchev, which was difficult to assess, if only for the simple reason that Khrushchev had no portfolio in a Cabinet which appeared to act autonomously and to have the Party in a subordinate position.

32. By putting the new agricultural programme clearly in charge of the Party, Khrushchev has put an end to Malenkov's intentions (explicit in his speech to the Congress) of confining the Party to political-ideological work. By putting the collective farms fully under the control of the Machine Tractor Stations, Khrushchev has also put an end to Malenkov's intention of "attaching" the means of production (viz. the machines in the Machine Tractor Stations) to the collective farms work brigades. Malenkov, in expressing intentions of this nature a year ago, must not have endeared himself unduly to Khrushchev and the Party and an indication that he did not have the Party fully under control after Beria's fall can be seen in the fact that the July "thesis" on the 50th anniversary of the Bolshevik party congress was signed only by its Department of Agitation and Propaganda and by its Marx-Engels-Lenin-Stalin Institute, and that the "thesis" has not been heard of now that Khrushchev has asserted himself as First Secretary (cf. my despatch No. 790 of September 25, 1953†).

33. At the same time we should not neglect the curious rise and fall of personalities in the Army, the relationship of which to the Party and Government leaders is still not at all clear. On July 16, after the arrest of Beria an important meeting was held at which the Army pledged its support to the Party, something which it had not been called on to do after the death of Stalin when it would have seemed more logical for this to occur. Comparing the list of those who attended with the men prominent at the time of the doctors' affair in January, we find that of the latter, comprising Vasilievsky,[44] Konev,[45] Shtemenko,[46] Levchenko[47] and Govorov,[48] only the latter was present on July 16. The rapporteur was Zheltov,[49] a newcomer, and a career military, not a career Party man. Especially conspicuous by his absence was

---

[44] Maréchal A.M. Vassilevski, ministre de la Défense (jusqu'en mars); ensuite, premier vice-ministre à la Défense de l'Union soviétique.
Marshal A.M. Vasilievsky; Minister of Defence (-Mar.); then First Deputy Minister of Defence of Soviet Union.

[45] Maréchal I.S. Koniev, commandant du District militaire des Carpates.
Marshal I.S. Konev, Commander, Carpathian Military District.

[46] S.M. Shtemenko.

[47] G.I. Levchenko, inspecteur militaire et conseiller du Groupe des inspecteurs généraux, ministère de la Défense de l'Union soviétique.
G.I. Levchenko, Military Inspector and Adviser of Group of Inspectors-General, Ministry of Defence of Soviet Union.

[48] L.A. Govorov, vice-ministre de la Guerre.
L.A. Govorov, Deputy Minister of War.

[49] A.S. Zheltov, chef adjoint, Première commission politique, ministère de la Défense de l'Union soviétique.
A.S. Zheltov, Deputy Chief, Main Political Board, Ministry of Defence of Soviet Union.

Brezhnev,[50] a career Party man, ex-First Secretary in Moldavia, who was appointed Political Administrator in the Navy in March.

34. It is probable that there was a good deal of manoeuvring by the Party leaders for influence in the Army, but it is impossible at this stage to guess what the alignment is. A similar kind of jockeying has likely been going on in the Party. Pospelov, the Agitation and Propaganda Department, and the Marx-Engels-Lenin-Stalin Institute seem to have been used by Malenkov to increase his influence in the Party. But they have been countered by Khrushchev, and his men, such as Brezhnev, who has now been brought back into the Army, and Suslov who has again increased in importance at the expense of Pospelov. The juggling between the two latter is probably significant as it parallels their fortunes between the Congress and Stalin's death.

35. Another reflection of the manoeuvres in Moscow can be seen in Georgia where two purges have been made since Beria's fall. The first one was made against Beria's henchmen Dekanozov[51] and Mamulov, but kept the Party Secretaries well below Premier Bakhradze[52] and his leading Ministers in the Bureau of the Party. An Army man was brought into the Bureau in the person of Major General Efimov. This first purge can probably be ascribed to Malenkov, as he himself was keeping the central secretariat in a subordinate position to his own.

36. In mid-September, however, after Khrushchev had consolidated his position in the Party, a second purge was made which brought the Party Secretaries from positions Nos. 8, 9 and 11 in the Bureau to positions No. 1, 2 and 3. Major General Efimov was replaced on the Bureau by General of the Army Antonov,[53] Commander of the Trans-Caucasian Military District. This purge may be ascribed to Khrushchev.

37. In the play of forces, there has been a give and take which makes it unreasonable to paint Malenkov as a pure liberal and Khrushchev as a pure disciplinarian. Malenkov has obviously abandoned his theme of an "autonomous" government apparatus only assisted by the Party, in favour of greater control by the latter. The trend of the consolidation of Ministries is now reversed and the number of Ministries is on the increase. At the same time, Khrushchev and the Party have willy-nilly inherited a liberal policy which they can only, for the time being, patch up with disciplinarian measures. Malenkov is being conspicuously silent on matters of internal policy and he is concentrating on exchanging telegrams of praise and good wishes with Chinese and satellite leaders, and receiving their delegations.

38. The Party's Central Committee alone signed the first decree on the new agricultural programme as a whole. But this has been followed by three decrees on specific parts of the programme, all three signed by the Council of Ministers and

---

[50] Léonide Brejnev./Leonid Brezhnev.

[51] V.G. Dekanozov, ministre de l'Intérieur de la République de Géorgie (jusqu'en juillet).
V.G. Dekanozov, Minister of Internal Affairs of Republic of Georgia (-July).

[52] V.M. Bakhradze, président, conseil des ministres de la République de Géorgie.
V.M. Bakhradze, Chairman, Council of Ministers of Republic of Georgia.

[53] Général d'armée A.I. Antonov.
General of the Army A.I. Antonov.

the Central Committee. It may be that the Malenkov forces and the Khrushchev forces have reached something like a deadlock or a truce. But the alliance may not be an easy one. The technocrats to whom Malenkov had begun to grant autonomy must not like the current tightening, while those who are effecting this tightening must not be happy with the liberal policy they have inherited. The Army may be backing both horses at the same time. Rumours have it that it is "samostoyatelnaya" (independent). In such circumstances, the possibility of bonapartism is not to be discounted, especially since the new MVD chief is not very high in the hierarchy and at any rate not very conspicuous on formal occasions. The situation among the national minorities remains very uncertain. There are rumours that at the same time as the Party and the military commander of the Trans-Caucasian Military District have taken over control in Georgia, that there is a deportation of Georgians under way with Russians being sent in their place. The reaction of the peasants to a new agricultural programme which Malenkov has announced under its rosier "incentives and better pay" aspects but which Khrushchev has turned into a well controlled policy, also poses a serious question. On the whole, the situation seems to be pregnant with possibilities.

39. I apologize for the inordinate length of this despatch which, however, seemed necessary in order to give some idea of the alignment and inter-play of forces in a very complicated situation, and it should be borne in mind that this situation is extremely fluid. As a result I have not attempted to assign the more important personalities to rival groups as there is not enough evidence, to my way of thinking, to say definitely who is with whom. In particular until the mysterious and almost complete silence about Beria is lifted we must only guess what effect his elimination has had on the remaining members of the Party.

40. All we can hope to conclude at the present time is that:

(a) there are economic and social problems of considerable urgency the existence of which go back well before Stalin's death and about which I have been speculating since the beginning of the year;

(b) the solutions advanced to meet these pressures seem to have varied since Stalin's death with the inter-play of personalities;

(c) there is therefore a good deal more to the present jockeying for position than a simple personal struggle for power, though this naturally is still an important factor;

(d) the future of the current policies and of whoever is behind them will depend to a certain extent on the reaction of the consumer, the peasant and the national minorities.

R.A.D. FORD

SECTION B

NOMINATION D'AMBASSADEURS
APPOINTMENT OF AMBASSADORS

1006. DEA/2462-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Assistant Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

SECRET Ottawa, June 24, 1953

I am attaching hereto a report of a conversation I had with Mr. Bourdine[54] of the Soviet Embassy. The main point raised during the conversation is related to the appointment of an Ambassador from the USSR in Ottawa.

In case you think that this might be of interest to the Minister, I am attaching a memorandum† to him which you may wish to initial.

J. LÉGER

[PIÈCE JOINTE/ENCLOSURE]

Note du sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum by Assistant Under-Secretary of State for External Affairs

SECRET Ottawa, June 23, 1953

CONVERSATION WITH MR. V. BOURDINE OF THE SOVIET EMBASSY

Mr. Bourdine invited me to lunch at the Chateau today. The main points of our conversation were related to the appointment of Ambassadors in our respective Missions, the situation in Korea, the Coronation and the removal of travel restrictions on foreigners in the USSR.

Exchange of Ambassadors

2. Early in the conversation, Mr. Bourdine said he would hope that it would be possible that something be done to improve the relations between our two countries. I told him that I agreed and would welcome any suggestion he would care to make. His immediate answer was that an easy improvement could come about by the appointment of a Canadian Ambassador to Moscow and of a Soviet Ambassador to Ottawa. In his view this would create a very favourable impression on the public at large in both countries and would help establish better and more frequent contacts at higher levels within the administration. I referred to recent developments in Yugoslavia and Greece where Soviet Ambassadors were appointed and asked him whether this was a new policy of his Government in filling the posts

[54] V.P. Bourdine, premier secrétaire, ambassade de l'Union soviétique.
V.P. Bourdine, First Secretary, Embassy of Soviet Union.

held during the last few years by Chargés d'Affaires. He said that he had no official information on this but thought that this was so; he added immediately that he was very glad that we had taken notice of these latest developments.

3. I merely added that this question was naturally a very important one and could only be considered at the highest level. Throughout the discussion on this subject I remained as non-committal as possible, neither wanting to encourage nor discourage Mr. Bourdine in conveying his message. If it is considered that encouragement should be given in letting the Soviet Embassy know that we would place no barrier in the way of their appointing an Ambassador, I could at a later date pick up the thread from where it was left.

Korea

4. Most of the conversation was devoted to exchanging views on Korea. I made clear at the start that we were intensely interested in seeing that an armistice be concluded at the earliest possible moment. I referred to Mr. Pearson's letter to President Syngman Rhee as an indication of how we felt. Bourdine agreed that it would be in the interest of all concerned if an armistice could be signed but added that Rhee had upset the apple cart considerably. I told him I hoped that it would still be possible that an armistice be signed. He did not demur.

5. I then added that in my view it was most important that the parties more directly concerned should get together once the armistice is signed at a political conference to discuss the problems related to Korea and, if the atmosphere proved to be propitious, also to discuss other problems. I emphasized the necessity of having to get together in order to discuss and eventually solve those problems now separating us. He fully agreed with this but said that it was difficult to see how it was possible to solve some of the important issues in the Far East when the United States proved to be so intransigent, particularly on such questions as Chinese representation. Specifically, he referred to recent pronouncements in the United States to the effect that Washington would cease contributing to the United Nations budget if the Chinese Communists were given United Nations membership. I said that a distinction should always be maintained between certain extremist elements in the United States and the Administration in Washington. Given time and a more propitious international atmosphere, the United States Government might be more forthcoming on such questions as Chinese representation. I said that in my view problems had to be considered piecemeal and that the settlement of one created a more satisfactory atmosphere in which others could be discussed and possibly solved.

6. Bourdine then referred with some enthusiasm to Mr. Pearson's recent declarations on the question of Chinese representation. He said that he had read his speeches with interest and hoped the Americans had fully understood his line. He was afraid, however, that their impact on the Americans generally might not be as great as he hoped.

7. Referring to the internal situation in Canada, Mr. Bourdine said that the postponement of an armistice in Korea might have some effect on the elections here. In his view, the Liberals might lose some seats if an armistice is not signed before the

elections. Notwithstanding, he thinks that the Liberals will win with a comfortable majority.

Coronation

8. Mr. Bourdine said that he had read the reports of and comments on the Coronation with great interest. In his view there is little relation between the amount of space devoted to the event generally and the devotion of Canadians to the Crown. They are interested in the "show" and also wish to preserve a traditional link with the Crown. In his view, it has no other significance whatever. Our foreign and trade policies are less and less lined up with those of London and more and more with those of Washington. Personally, he thought that the ceremonies of the Coronation were perhaps overdone and outdated.

Travel Restrictions

9. Mr. Bourdine referred to the announcement made on June 22 about the liberalization of travel facilities afforded foreigners in the USSR. He said that he was very happy this had come about since it would afford foreigners, particularly diplomats, an opportunity of visiting "practically all of the Soviet Union" since the travel ban now applied only to very few cities and border regions. I told him that our colleagues in Moscow would certainly appreciate this move and added that perhaps we might have to look into our own situation here. Mr. Bourdine said that they would anxiously await developments and hope for the best.

Conclusion

10. Although most of the conversation was related to other matters, I think that Bourdine's objective was to sound me out on the possibility of exchanging Ambassadors. It seems to me that, as a result of this approach, this matter should be given careful consideration and, if necessary, followed up with the Soviet Embassy at the appropriate time.

11. Throughout the conversation I found Mr. Bourdine more forthcoming than usual and also less cocky. He refrained from the usual tirades. Even his references to the United States were moderate although he did point out the fact that President Eisenhower did not seem to be able to hold his own. I disagreed with him on this and said that as far as we, in Canada, could see the President had not fallen in the hands of the extremists and could even silence them if and when it was necessary.

12. To sum up my impression of our conversation, I would say that, within my limited experience in that field, it is the "sweetest" I have had with a Soviet diplomat. This could be interpreted to mean either that I have been taken for a ride or that Bourdine made a deliberate attempt to create an atmosphere favourable to discussing common problems. Or both.

J. LÉGER

1007. DEA/2462-40

Le chargé d'affaires en Union soviétique au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union to Secretary of State for External Affairs

TELEGRAM 104 Moscow, August 1, 1953

SECRET. IMMEDIATE.

APPOINTMENT OF SOVIET AMBASSADOR TO CANADA

1. I was called to Foreign Ministry at noon today by Gromyko[55] who stated that the Soviet Government intended to appoint an Ambassador to Ottawa. He then asked for agrément of Dmitri Stepanovich Chuvakhin.

2. According to biographical details given me by Gromyko, Chuvakhin was born in 1903 and is a graduate of Moscow Institute of Oriental Studies. He served as First Secretary in Washington from 1938 to 1942; and in Ministry of Foreign Affairs until 1945. He was appointed Counsellor in Belgrade in 1945 and transferred almost immediately to Albania as Minister, returning to Ministry of Foreign Affairs in 1952 where he has served until now. According to Gromyko, he speaks good English.

3. I said I would immediately transmit this information to you and he said he would be grateful for an early answer. He made no mention of reciprocity but was extremely affable throughout the entire interview.

---

[55] A.A. Gromyko, ambassadeur de l'Union soviétique au Royaume-Uni (jusqu'en avril); vice-ministre des Affaires étrangères de l'Union soviétique.
A.A. Gromyko, Ambassador of Soviet Union in United Kingdom (-April); Deputy Minister of Foreign Affairs of Soviet Union.

1008. DEA/2462-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires en Union soviétique

Secretary of State for External Affairs to Chargé d'Affaires in Soviet Union

TELEGRAM 86 Ottawa, August 5, 1953

SECRET

APPOINTMENT OF SOVIET AMBASSADOR TO CANADA

Reference: Your telegram No. 104 of August 1.

Following from Acting Under-Secretary, Begins: We are of course most interested in this development. It will not be possible to give you reply to Soviet Government for a week or so. Ends.

1009. DEA/2462-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires en Union soviétique

Secretary of State for External Affairs to Chargé d'Affaires in Soviet Union

TELEGRAM 91 Ottawa, August 20, 1953

SECRET

Reference: Your telegram No. 104 of August 1.

Please communicate to Soviet Foreign Ministry Canada's agrément to appointment of Chuvakhin as Ambassador here.

Should appreciate knowing in advance when this appointment will be made public.

1010. DEA/2462-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires en Union soviétique

Secretary of State for External Affairs to Chargé d'Affaires in Soviet Union

TELEGRAM 93 Ottawa, August 21, 1953

SECRET. IMPORTANT.

AGRÉMENT FOR SOVIET AMBASSADOR TO CANADA

Reference: Our telegram No. 91 of August 20.

If you have not already acted on the instructions contained in my telegram under reference, please do not repeat not ask the Soviet authorities to inform us in advance of the date on which they announce the appointment of their Ambassador to Canada. On second thought, we think that this would appear to demonstrate excessive interest on our part in what the Minister wishes to treat as far as possible as a routine move.

2. In reply to press enquiries here resulting from news of the appointment, we intend to play down the appointment and to discourage speculation as to its importance.

3. Bourdine of the Soviet Embassy here has raised informally with officers of the Department the possibility of reciprocal appointment but has got no answer from us. When the press raise this question we shall say that consideration will have to be given to it in due course by the Government. For your own information, we consider that we shall have to reciprocate by sending an Ambassador but if the Soviet authorities raise the question of reciprocity with you, you should at this stage restrict yourself to saying that this matter will no doubt be taken under consideration by the Canadian Government. Ends.

1011. DEA/2462-40

Note du sous-secrétaire d'État par intérim aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Acting Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, October 1, 1953

Attached is a memorandum prepared by Mr. Holmes on a discussion which he had recently with Mr. Bourdine of the Soviet Embassy. I should like to call your attention particularly to the last paragraph in which Mr. Bourdine expressed disappointment at our failure to appoint an Ambassador to Moscow and hinted that the

Soviet Ambassador might not arrive in Ottawa until there was some indication of our intention to reciprocate.

C.S.A. R[ITCHIE]

[PIÈCE JOINTE/ENCLOSURE]

Note du sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum by Assistant Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, September 29, 1953

DISCUSSION WITH MR. BOURDINE OF THE SOVIET EMBASSY

Today I lunched, at his invitation, with Mr. Bourdine of the Soviet Embassy in the Chateau Grill. It was an amiable occasion during which it seemed to me the discussion on both sides was franker than any I have ever had with a Soviet official. Either Mr. Bourdine himself has changed somewhat, or my original impressions of him were wrong. When he first came here several years ago he seemed to me nothing but a slick operator. Now, however, I am inclined to agree with Mr. Ford, who expressed a belief in the sincerity of Mr. Bourdine's convictions. It may of course be that recent trends in Moscow have given Mr. Bourdine a little more confidence in his license to speak if not freely at least more flexibly. He has of course always seemed to have a privileged position in the Soviet Embassy, and this I had always been inclined to attribute to the fact that he had been designated with special powers. I still think this is probably the case, but I have wondered somewhat if his greater contacts with Canadians may be attributed, at least to some extent, simply to the fact that he is the only member of the Soviet Embassy who is almost completely fluent in English, able to express accurately what he wishes to say or imply and able to understand the nuances of those talking to him.

Our conversation ranged over a good many current topics, and there was nothing particularly noteworthy in Mr. Bourdine's views. Although he expressed the conventional Soviet views on United States relations with Spain, the rising power of Germany and on recent developments in NATO, he expressed them simply and on the whole moderately and reasonably enough to lead one to believe that he was sincere. This sincerity struck me particularly when he produced his ingenuously orthodox interpretation of Canadian foreign policy as being dictated by the United States. Our acceptance of this position, according to Mr. Bourdine, was attributable simply to the fact that we knew that the withdrawal of American investment in Canada would ruin us. When I said that I thought there were few considerations which bothered us less in our attempt to formulate Canadian policies than worry about the withdrawal of American investments and emphasized the fact that we frequently differed from the Americans in our policies, he said that we did so only in small things. What would happen if Canada decided to become a close friend of the Soviet Union? The Americans would not tolerate such a situation, and we knew it. As this was a proposition which one could not deny with entire conviction, I emphasized the fact that we agreed with the Americans in basic matters of foreign policy not because we were forced to do so but because of our own free will we

reached the same conclusions. Mr. Bourdine could not of course accept this argument. He is a good enough diplomat always to maintain the attitude that Canadians are misguided and maltreated children, not naturally sinful like the Americans but forced into error against their own better judgment. I was somewhat hurt when, during my effort to illustrate Canadian independence in foreign policy, Mr. Bourdine said that he could not remember how we had voted in the recent discussion in the UN on the composition of the Korean Political Conference. I protested: "Come, come, Mr. Bourdine; surely it is your job to study Canadian foreign policy as it is and not just as it is reflected in the *Canadian Tribune*". He replied: "To be quite frank, I never read that paper".

One thing which interested me was the complete frankness with which he accepted and discussed the changes in Soviet policy since the death of Stalin. He made no bones about the fact that *Pravda*'s tone had altered, but complained that all these gestures by the Soviet Union had met with no response whatsoever from the United States. The Americans had immediately expressed distrust of Soviet intentions and had become still more provocative. I said that I personally thought the Americans might well have been more forthcoming, but I realized that they had many reasons for scepticism and that the gestures had not cut very deep. He asked me if I thought that the Korean truce was of no importance and I said that of course it was a matter of real importance but I did not consider it any more a concession on the Soviet part than on ours. He did not pretend that we had gained more than they out of the truce but emphasized again that this was an indication of goodwill.

On the subject of gestures he then proceeded to what was I think the main purpose of his conversation. He implied that the American failure to respond to Soviet gestures might be taken for granted but that he had hoped for more from Canadians. He said that Canadians would now be able to get better reporting on the Soviet Union because his Embassy had just that day received instructions to grant visas to a correspondent of the "Canadian Press" who was going to Moscow, and also to Gerald Clarke of *Weekend Magazine*. (He seemed pretty vague about this so-called "Canadian Press" correspondent, and as I was unaware of any such application I could not get very far.) Then he said that he personally had been extremely disappointed in our failure to appoint an Ambassador to Moscow before this. We had always indicated that if his Government took the first step we would respond. Our relations had had a bad period (he was very unspecific about this period). Now the Soviet Union had made a gesture to re-establish good relations, and we had made no response. This was very embarrassing for Mr. Teplov and for him personally. He implied that he had taken the stand to his own Government that if they appointed an Ambassador we would do likewise, but we had let him down. I told him that as I had recently returned to Ottawa I was unaware of what our intentions were in this respect, but I pointed out that if we were going to send an Ambassador to Moscow it was always difficult to make a sudden appointment because we had not many experienced senior officers and every change involved consequent changes which had to be thought out. As it was obvious from his previous conversation that he was entirely familiar with the change in Mr. Collins' plans, I pointed out that it was not quite true to say that their decision to send an Ambassador to Ottawa had met with no response on our side; we had at least altered our previous plans,

thereby causing ourselves considerable difficulty. He placed or professed to place great emphasis on this matter and implied that his Government took a very serious view of our failure. At another time during lunch when I made polite inquiries about the date of arrival of his new Ambassador, he looked very mysterious and said that he knew nothing of the Ambassador's plans and had no official information from Moscow, but it was always possible that the uncertainty of the Soviet Ambassador's plans were related to our failure to do anything about appointing a Canadian Ambassador. He did not make this statement categorically, but there was no doubt at all that he intended to leave with me the impression that the Soviet Ambassador would not arrive here until we acted. Whether this was a ruse which he had thought up for himself I don't know, but I think it is not at all unlikely that the Russians would delay actually sending their man until it is clear that we intend to reciprocate.

1012. DEA/4595-AN-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires en Union soviétique

Secretary of State for External Affairs to Chargé d'Affaires in Soviet Union

TELEGRAM 140 Ottawa, December 18, 1953

SECRET

Please request Soviet agrément to appointment of Mr. John Benjamin Clark Watkins at present Minister to Norway and Iceland as Ambassador Extraordinary and Plenipotentiary of Canada to USSR.

Soviet authorities should be asked to treat this matter as confidential until announcement is made in Ottawa.

For biographical notes on Mr. Watkins refer to Departmental Register.

1013. DEA/4595-AN-40

Le chargé d'affaires en Union soviétique
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union
to Secretary of State for External Affairs

TELEGRAM 167 Moscow, December 22, 1953

SECRET

Reference: Your telegram No. 140 of December 18th.

Vice-Minister Kuznetsov[56] received me this afternoon and I presented the request for Soviet agrément to the appointment of Watkins in accordance with your instructions.

2. After thanking me and stating that Soviet policy was to support all efforts to develop the relations between countries, he told me that their answer concerning the agrément and announcement would be communicated later.

1014. DEA/4595-AN-40

Le chargé d'affaires en Union soviétique
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union
to Secretary of State for External Affairs

TELEGRAM 1 Moscow, January 5, 1954

SECRET

Reference: My telegram No. 167 of December 22nd.

1. At noon today Kuznetsov informed me of the Soviet agrément to the appointment of Watkins.

[56] V.V. Kuznetsov, premier vice-ministre des Affaires étrangères de l'Union soviétique.
V.V. Kuznetsov, First Deputy Minister of Foreign Affairs of Soviet Union.

SECTION C

AIDE MUTUELLE
MUTUAL AID

1015. PCO

Note du ministre des Finances pour le Cabinet

Memorandum from Minister of Finance to Cabinet

CONFIDENTIAL Ottawa, January 20, 1953

REVIEW OF CANADIAN GOVERNMENT EXTERNAL LOANS, CREDITS, CLAIMS AND GUARANTEES

The present position respecting Canadian loans and credits made during and after World War II to other countries is shown in the following table. In a number of cases problems and difficulties have arisen on which decisions are required.

	Original Amount	Principal Outstanding but not due, Jan. 2, 1953	Amounts due but not paid
		(In $ millions)	
1942 Interest-free loan to U.K.	700	199.9	—
Military relief (approx.)	95.7	12.2	—
Loan to U.S.S.R. extended in 1945 under War Appropriation Act	8.9	8.9	—
Claim on U.S.S.R. for deliveries during Sept.-Nov., 1945	3.3	3.3	3.3
1946 Loan to U.K.	1,185.0	1,156.7	—
Government guarantees — Ming Sung	12.8	10.2	3.0
Direct loans under Export Credits Insurance Act —			
Belgium	68.8	55.4	—
China	52.2	41.7	9.3
Czechoslovakia	16.7	6.6	3.4
France	253.4	211.2	—
The Netherlands	123.9	110.1	—
Netherlands Indies	15.4	9.3	—
Norway	23.6	18.4	—
U.S.S.R.	2.9	nil	—
TOTAL	2,562.6	1,843.9	19.0

Loans and Credits to the USSR

In 1945 three credits were extended to the USSR — $2.9 million for the purchase of hydro-electric equipment, $8.99 million for the purchase of wheat and flour, and $3.3 million for industrial equipment delivered after termination of mutual aid. The first has been wholly repaid. After protracted negotiations the USSR finally agreed to repay the $8.99 million credit in five instalments commencing June 1953. The $3.3 million claim remains unsettled. This claim arises out of the delivery of various items of industrial equipment to the USSR in the latter months

of 1945 after the cessation of hostilities on September 2nd of that year. The USSR gave specific written assurances on October 9, 1945, that if agreement was not reached on the credit arrangements then under discussion, the Government of the USSR would pay in cash for all items delivered to it after September 2, 1945. Presentation of this claim was deferred while settlement of the larger $8.99 million claim, in respect of food shipments, was being pursued. Supporting documentation was prepared and the claim formally presented in Moscow in October, 1951. We have not been able to obtain any response whatever from the Soviet authorities. Our embassy representatives have raised the matter with the appropriate Soviet officials nine times with no result. They have neither denied nor recognized the claim — they simply state that they are not ready to give an answer. This claim is now seven years old and we have been trying without success for more than two years to get it settled. There is nothing much that can be done except perhaps to publicize the failure of the USSR to recognize its obligations. Such a step, however, might remove any possibility of collecting on the claim and might also prejudice future repayments on the other outstanding credit. Consequently it is recommended that no special step be taken to publicize the situation for the time being and that the Canadian Embassy in Moscow be asked to continue to press the Soviet authorities.

The USSR agreed in October, 1944, to pay $20 million in US dollars to the International Nickel Company of Canada Limited in compensation for the Petsamo nickel mines in Finland which were taken over by the USSR at the end of the war. The Canadian Government received the sums paid under the agreement and handed them over to the International Nickel Company. The final payment was due December 31, 1951. However, $2.9 million (US) is still outstanding because the USSR paid only 50% of the last five instalments in US dollars and proffered payment of the balance in inconvertible sterling. This form of payment was not in accordance with the agreement and unacceptable to the International Nickel Company. The USSR has since consistently refused to make any other form of payment, turning down flatly suggestions that payment in gold or Canadian dollars would be acceptable. The Canadian Embassy in Moscow has been making periodic representation to the USSR Government without avail concerning these outstanding amounts. It has been considered advisable that any publicity given to this matter be made by International Nickel Company rather than by the Canadian Government in view of the outstanding governmental claims against the USSR.

Ming Sung

In November 1946, a guarantee was given by the Government to a group of three Canadian banks (Dominion, Imperial and Toronto) in respect of a credit provided by them to the Ming Sung Industrial Company Limited to enable that Company to purchase specially designed ships for use on the Yangtze River. The Chinese Government agreed to act as the primary guarantor of the loan. The Company defaulted on the loan in June, 1951, and the Canadian Government became liable under the guarantee in October, 1951. It was then decided to try to recover the defaulted payment by instituting legal proceedings in Hong Kong under the mortgages which the banks hold on the ships. At this stage the Company advised that the crews refused to take the ships from Canton to Hong Kong. Under present cir-

cumstances legal proceedings are ineffective while the ships are in Canton. Under its guarantee, the Canadian Government has up to the present paid $2,523,174.78 in defaulted principal and $516,988.32 in defaulted interest to the three banks. The Chinese Government in Formosa has been asked, as the primary guarantor, to pay the defaulted amounts but that government has replied that it is financially unable to do so.

Export Credit Loan to China

Under a financial agreement entered into on February 7, 1946, and supplementary arrangements, a credit not to exceed $60 million was made available to the Government of China to be utilized up to December 31, 1948. At that date the total consolidated indebtedness of the Government of China amounted to $52,215,997.48. Difficulties first arose in respect of the principal payment of $1,740,000 due December 31, 1949. (Up to that time payments totalling $3.5 million had been received.) A partial payment of slightly over $1 million was arranged against the principal of $1.7 million due December 31, 1949, and payment of the balance, together with payments due for the next two years, was deferred by agreement until December 31, 1952. Deferred payments of principal and interest, amounting to $9,331,175.73, were due on December 31, 1952. This amount includes interest at 3 per cent on the deferred interest payments.

The Chinese Ambassador informed the Deputy Minister of Finance on November 28th last that his government was unable to meet the payment of $9.3 million due December 31, 1952, nor was his government able for the time being to meet any further instalments. In the circumstances two alternatives are open. Provision is made in the text of the financial agreement with China that if the debtor government defaults on any principal instalment of the loan, the whole loan becomes due automatically — whereas it is provided in the bonds, issued pursuant to the agreement, that where a principal instalment of a bond is defaulted, the whole issue of bonds becomes due only at the option of the Minister of Finance. In the opinion of the Solicitor to the Treasury the bonds constitute the primary obligation of the debtor and the Government would be justified in enforcing them according to their terms, although action could also be taken under the mandatory provision in the agreement. Under the terms of comparable loans extended by the United States to China which have also been defaulted, it is provided that if a payment is not made, the whole amount of the loan becomes due and payable. However, these clauses have never been invoked by the United States and no move has been made to formally declare China in default. From the information we have been able to gather on the position of the government in Formosa, it would appear that it is financially unable to meet payments on the Canadian and United States loans. Indeed the Formosan authorities are being supported by large grants in aid from the United States.

It is recommended (a) that no attempt should be made to enforce the acceleration clause against the Government of China, (b) that the loan should not formally be declared in default, (c) that payments be requested regularly when due, (d) that interest payments be calculated on the total indebtedness now outstanding without charging interest on unpaid interest payments, and (e) that all legal requirements be

fulfilled in order to ensure that a valid claim can be made for all outstanding amounts if and when we recognize a government in continental China.

Export Credit Loan to Czechoslovakia

By an agreement of March 1, 1945, as amended, a credit not to exceed $19 million was extended to the Government of Czechoslovakia to be utilized up to December 31, 1948. The total consolidated debt at that date amounted to $16,673,706.82. Instalments on this debt became due on January 1, 1948, and are scheduled to be completed on November 27, 1954. All payments were received until principal in the amount of $3,330,000 with interest of $33,984.24 was not remitted when due on November 27, 1952. Nor was the interest payment of $83,250, due on January 1, 1953, received. The total overdue amount is now $3,447,234.24. The unpaid principal amount of the loan still outstanding is $9,990,000.

As in the case of China, the text of the loan agreement provides that if the debtor government defaults on a principal payment, the whole loan becomes due and payable. The terms of the bonds, however, likewise provide an option to be exercised by the Minister of Finance.

In December, 1951, a Czech representative commented, during trade discussions in Ottawa with Canadian representatives, that reduction in Canadian exports to Czechoslovakia of strategic materials might affect their capacity to service the loan. A further development took place in the trade field in November, 1952, when the Czech Government was informed that the Canadian Government would apply appraised valuations to certain imports from Czechoslovakia in accordance with Canadian law and consistent with the provisions of the GATT. This action was taken after repeated efforts over a considerable period to obtain permission from the Czech Government for Canadian representatives to investigate in Czechoslovakia the values of Czech goods which it appeared were being dumped into Canada. Czech embassy officials in Ottawa have intimated in informal discussions that their Government might be prepared to pay the amount owing on the loan if the action against Czech dumping were withdrawn. Canadian officials pointed out that there was no connection between these two matters, that the obligations under the loan were unconditional, and that the action against dumping was in accordance with our laws and in accordance with the provisions of our trade agreements with Czechoslovakia and other countries.

Under the terms of a US credit to Czechoslovakia, repayments can be made either in US dollars or in Czech crowns. In May, 1952, the Czech Government refused to make a payment in crowns. In the case of this loan, at any rate, the default cannot be attributed to trade policies causing difficulties for Czechoslovakia in acquiring the dollars to service the loan.

It is recommended that (a) we should not accept any proposal which would involve the withdrawal of our action against Czech dumping in return for an undertaking to meet the payments on the loan, (b) the Government of Czechoslovakia be informed that if the overdue payments are not remitted the whole loan will be formally declared to be in default and that this default will be reported to Parliament.

Loan to Indonesia — Request for release of the Netherlands guarantee

The credit extended in October, 1945, to the Bank for the Netherlands Indies, an agency of the Government of the Netherlands Indies, was guaranteed by that Government. Subsequently in 1947 the terms of the loan were revised and extended on condition that the obligations under both the original and supplementary agreements would be guaranteed by both the Governments of the Netherlands and Indonesia. The guarantee was requested in February, 1947, and later given in view of the impending transfer of sovereignty to Indonesia. Because of the political and economic uncertainties in Indonesia surrounding this transfer of sovereignty, the Canadian Government was not prepared at that time to make further credit available without the express guarantee of the Government of the Netherlands. The Canadian Government has now been requested by both the Governments of the Netherlands and Indonesia to release the Government of the Netherlands from its guarantee. The request is made on the grounds that after the unconditional transfer of sovereignty a guarantee from the Netherlands for a debt of Indonesia to a third country does not fit in with the present relationship between the two countries.

The Canadian Aide Mémoire requesting the Netherlands' guarantee left the possibility open that the guarantee might subsequently be waived if it were found possible to obtain from the government or governments succeeding the Government of the Netherlands Indies a guarantee acceptable to the Canadian Government. It was made clear at the time, however, that acceptability would not depend merely on technical legal points but was intended to have regard to political and economic considerations. The political and economic developments in Indonesia since transfer of sovereignty have not, however, been such that it would be prudent from the Canadian viewpoint to relieve the Netherlands of its guarantee. The original amount of the loan was $15.4 million, of which $9.3 million remains outstanding. Thus far all instalments have been paid on the due dates.

A similar request for release of the Netherlands' guarantee has been made to the US Government in respect of a surplus property credit extended to the Netherlands Indies in 1946. It is understood that the US Government is disposed for political reasons to grant the request. The Netherlands' guarantee of this loan was, however, given some time before the question of transfer of sovereignty arose and was not given, as in the case of the Canadian loan, because of the impending transfer of sovereignty.

Because (a) it was clearly understood at the time the guarantee was requested that its release would depend on political and economic circumstances in Indonesia and that present conditions in Indonesia are not such as enable us to have an unqualified confidence that the loan will be repaid, (b) the circumstances leading to the guarantee of the Canadian loan and considerations regarding its release differ substantially from that of the US loan, and (c) the balance of the loan is due to be paid off within the next 2½ years, it is recommended that the request for the release of the Netherlands' guarantee be not granted.

1016. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], January 22, 1953

. . .

FINANCE; CURRENT STATUS OF EXTERNAL LOANS AND CREDITS

10. *The Minister of Finance* said that out of a total of $2,562.6 million of external loans, credits and guarantees made by the Canadian government, $1,843.9 million was outstanding but not due and $19 million was overdue as of January 2nd, 1953. The total of $19 million in overdue amounts was made up of a $3.3 million claim on Russia for deliveries made in the autumn of 1945, $3 million owed to three Canadian banks by the Ming Sung Company, $9.3 million owed by China on an Export Credits Insurance loan and $3.4 million owed by Czechoslovakia also on an Export Credits loan. In addition, the USSR still owed the International Nickel Company of Canada $2.9 million on the agreed total payment of $20 million in compensation for the Petsamo nickel mines in Finland which were taken over by Russia at the end of World War II.

He submitted recommendations as to the stand the government might take in respect of these various defaults.

An explanatory note had been circulated.

(Minister's memorandum, Jan. 20, 1953 — Cab. Doc. 15-53)

11. *The Cabinet*, after discussion, noted the report of the Minister of Finance and agreed that,—

(a) in respect of the $3.3 million overdue on deliveries made to the USSR in the autumn of 1945, no special steps be taken to publicize the situation for the time being but that the Canadian Embassy in Moscow be instructed to continue to press Soviet authorities for payment;

(b) any publicity given to the payment still due by Russia to the International Nickel Company of Canada be made by that Company rather than by the Canadian government;

(c) further enquiries be made to ascertain whether there was any possibility that the Nationalist Government of China might be in a position to honour in whole or in part its guarantee of the Ming Sung loan or to meet overdue payments on the Export Credits loan to China; it being understood that all legal requirements should be fulfilled in respect of both matters, in order to ensure that a valid claim could be made for all outstanding amounts if and when Canada recognized a government in continental China;

(d) in respect of the overdue amount of $3.4 million on the Export Credits loan of $16.6 million to Czechoslovakia, the government of that country be informed that Canada could not agree to discontinue action against Czech dumping in return for payment of the overdue instalments and that if these overdue payments were not

remitted the whole loan would be formally declared to be in default and the default reported to Parliament; and,

(e) the Netherlands Government be not released at this time from its guarantee of the $15.4 million Export Credits loan to the Netherlands Indies.

. . .

1017. DEA/4929-V-40

Le chargé d'affaires en Union soviétique au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union to Secretary of State for External Affairs

DESPATCH 91 Moscow, January 28, 1953

CONFIDENTIAL

SOVIET DEBT FOR SHIPMENTS UNDER MUTUAL AID

Reference: Our telegram No. 12 of January 27, 1953.†

I attach herewith an office translation of the Soviet note No. 3/2E of January 26, and the original Russian text of the note† in which the Soviet Ministry of Foreign Affairs expresses its willingness to enter into negotiations concerning the question of our claim in respect of industrial equipment supplied to the USSR after the termination of mutual aid.

2. It took the Soviet authorities approximately 15 months to agree to our original note requesting negotiations. During that time I made repeated requests at various levels, both oral and written, in the Soviet Foreign Office for a reply without once getting any indication of what the Soviet attitude was. The fact that they did, however, eventually accede to our request is a further indication that the tactics of slow but continued pressure can pay off.

3. Since you sent me the instructions contained in your despatch No. S-456 of September 12, 1951 you may have modified your views in some respects concerning the tactics we should use when negotiations actually commence, and I should be grateful if you would let me have as soon as possible any additional instructions in this respect. In particular, as I mentioned in my telegram, I trust that the instructions contained in your despatch to resist strongly a Soviet attempt to obtain a further credit should be considered as our first and not our final position. It is obvious from the Soviet note that they are going to insist on repayment over a period of time, I should imagine somewhat along the lines of the agreement of September 1950. If our final position is to be cash repayment, even though we have an extremely good argument in its favour, I do not think we will get anywhere at all. Insistence on it is, of course, mandatory as a first argument and it may help us to get better terms in the long run but I think we must be prepared to accept some other form of repayment. My personal feeling is that the Soviet authorities may

decide on a fairly rapid conclusion of the negotiations simply in order to contrast this with the treatment given the Americans on the question of lend lease.

4. I notice that in connection with the negotiations of 1950 concerning repayment of the food loan, you designated the Secretaries of the Embassy, Mr. Crowe and Mr. Stansfield,[57] to carry out the detailed negotiations with the representatives of the Ministry of Foreign Trade. I presume, therefore, that you would like to follow the same procedure this time and designate Mr. Black[58] and Mr. Trottier.[59] However, if you wish me to handle the matter I would, of course, be very happy to do so. In any case I would exercise normal supervision over the negotiations.

R.A.D. FORD

[PIÈCE JOINTE/ENCLOSURE]

Le ministère des Affaires étrangères de l'Union soviétique à l'ambassade en Union soviétique [Traduction]

Ministry of Foreign Affairs of Soviet Union to Embassy in Soviet Union [Translation]

NOTE NO. 3/2E Moscow, January 26, 1953

The Ministry of Foreign Affairs of the USSR has the honour to inform the Canadian Embassy, in connection with the Embassy's note of October 9th, 1951, that the Soviet Government has instructed the Ministry of Foreign Trade to enter into negotiations with representatives of the Canadian Government on the question mentioned in the above note of the Embassy.

It should be kept in view that the indebtedness of the Soviet organizations, which will be fixed as a result of these negotiations, will be regulated on the basis of a credit, the conditions of which will be defined in the process of the negotiations.

---

[57] En 1950, M.A. Crowe était troisième secrétaire et D. Stansfield, deuxième secrétaire, à l'ambassade en Union soviétique; en 1953, ils faisaient partie de la Direction européenne.
M.A. Crowe and D. Stansfield were Third and Second Secretaries respectively at the Embassy in the Soviet Union in 1950; in 1953 they were in European Division.

[58] E.P. Black, troisième secrétaire, ambassade en Union soviétique (jusqu'en septembre).
E.P. Black, Third Secretary, Embassy in Soviet Union (-Sept.).

[59] P. Trottier, troisième secrétaire, ambassade en Union soviétique.
P. Trottier, Third Secretary, Embassy in Soviet Union.

1018. DEA/4929-V-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires en Union soviétique

Secretary of State for External Affairs to Chargé d'Affaires in Soviet Union

DESPATCH S-67 Ottawa, February 19, 1953

CONFIDENTIAL

SOVIET DEBT FOR SHIPMENTS UNDER MUTUAL AID

Reference: Your telegram No. 12 of January 27, 1953† and your despatch No. 91 of January 28, 1953.

You are right in assuming that insistence on a cash settlement of this debt is a first and not a final position to be adopted in negotiation with the Soviet Government. It is clear, in view of the wording of the Foreign Ministry's Note, that a cash settlement is rather unlikely. It must, however, be insisted upon in the first instance, for the reasons you have noted.

2. It is possible, moreover, that something can be done to make a cash settlement appear to the Soviet side as the less objectionable of two evils. Service costs have been incurred by the Canadian Government, in respect of the Soviet debt, to an amount in the vicinity of $500,000. It would be appropriate, in the early stages of negotiation, to stress that the amount of the cash settlement requested represents only the original cash payments made by the Canadian Government on behalf of the Soviet Government. Our representatives could go on to say that, while such costs are not involved in the claim for a cash settlement, the Canadian Government may be obliged to consider the whole question of service costs if any proposal for credit terms is made.

3. In the meantime, we should endeavour to prevent the stipulation in the Ministry's Note from becoming a subject for protracted correspondence, delaying the opening of negotiations. I attach a suggested note to the Ministry.† You will observe that the concluding paragraph of this draft note sidesteps the point raised by the Ministry of Foreign Affairs, stating that the Canadian representatives will have full power to negotiate, and that all matters relating to the settlement of the Canadian claim are considered to be appropriate subjects for negotiation. It may be hoped that the reference to full powers will touch the pride of the Ministry of Foreign Affairs and make it wish to avoid suggesting that Soviet representatives will not be as fully trusted by their Government as Canadian representatives are by theirs. I realize that this attempt to avoid the issue may well prove unsuccessful. If so, the next step will have to be considered in the light of the Foreign Ministry's reply. On the other hand, the Ministry of Foreign Trade may enter into negotiations without further correspondence, but have its negotiators state at the outset that they are bound by the stipulation made in the note of January 26. That would probably be satisfactory from our point of view, in that it would enable our side to make the point in paragraph 2 above.

4. While the statement on full powers outlined above may be usefully employed for tactical purposes, it is not in fact necessary at this stage to set forth full instructions for the conduct of negotiations. The first step is for the negotiators to ascertain whether there is agreement on the total amount of the indebtedness, as set forth in our Despatch No. S-456 of September 12, 1951. If the Soviet representatives challenge the figure of total indebtedness in any way, our representatives will of course call for a recess in which to study the Soviet representations.

5. If the total amount of indebtedness can be agreed upon, the next step is for our negotiators to state that the Canadian Government expects cash settlement. When this demand meets the expected Soviet response, our representatives should continue on the lines already suggested. If the Soviet representatives cite the agreement of September 1950 as a precedent, this should be answered in the manner suggested in paragraph 6 of the despatch of September 12, 1951.

6. I should anticipate that the initial negotiations would not go beyond this point. Either the Soviet representatives would request time to consider the question of the possible addition of service costs to the total indebtedness, if credit terms are requested, or the Soviet representatives would insist on putting forward specific proposals for credit arrangements and the Canadian representatives could similarly request time to examine those proposals.

7. At that stage, consideration could be given to our subsequent tactics in the light of your recommendations and your report on what had taken place so far.

8. I think the foregoing instructions, coupled with the material you already have on file, should prove adequate if early negotiations are entered into by the Soviet Government. In the event, however, that you wish to raise any questions in connection with these instructions, or in connection with the attached draft reply to the Ministry of Foreign Affairs, it might be desirable for you to do so by telegram before you make any reply to the Ministry.

9. You may take it that Mr. Black and Mr. Trottier are authorized to conduct negotiations on behalf of the Canadian Government. I should only wish you to enter into the detailed work of negotiation yourself if a very senior official of the Ministry of Foreign Trade were named as one of the Soviet representatives. I consider this a most unlikely eventuality. You would, of course, be designated to sign any Exchange of Notes or other agreement resulting from the negotiations.

L.D. WILGRESS
for Secretary of State
for External Affairs

1019. DEA/4929-V-40

Le chargé d'affaires en Union soviétique
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union
to Secretary of State for External Affairs

DESPATCH 216 Moscow, March 11, 1953

CONFIDENTIAL

SOVIET DEBT FOR SHIPMENTS UNDER MUTUAL AID

Reference: Your despatch No. S-67 of February 19, 1953.

I agree with all the points raised by you in your despatch under reference and have therefore sent a note to the Soviet Ministry of Foreign Affairs along the lines of your draft. I attach a copy for your records.

2. I shall get in touch with you by telegram as soon as I have an answer from the Soviet authorities. The confusion into which the Soviet Foreign Office, and probably the Ministry of Foreign Trade, have been thrown by recent developments may mean some additional delay in getting conversations actually started.

R.A.D. FORD

[PIÈCE JOINTE/ENCLOSURE]

L'ambassade en Union soviétique
au ministère des Affaires étrangères de l'Union soviétique [Traduction]

Embassy in Soviet Union
to Ministry of Foreign Affairs of Soviet Union [Translation]

NOTE NO. 33 Moscow, March 11, 1953

The Canadian Embassy presents its compliments to the Ministry of Foreign Affairs of the Union of Soviet Socialist Republics and has the honour to acknowledge receipt of the Ministry's Note 3/2E of January 26, 1953, informing the Embassy that the Soviet Government has instructed the Ministry of Foreign Trade to enter into negotiations with representatives of the Canadian Government regarding the Canadian Government's claim in respect of the industrial equipment delivered to the USSR after September 1, 1945.

The Embassy looks forward to learning from the Ministry of Foreign Trade the names of the officials who will be designated to meet with representatives named by the Canadian Government.

The Canadian representatives will have full power to negotiate on behalf of the Canadian Government. The Canadian Government considers, moreover, that all matters relating to the settlement of its claim are appropriate subjects for consideration in the course of the negotiations.

1020. DEA/4929-V-40

Le chargé d'affaires en Union soviétique au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union to Secretary of State for External Affairs

TELEGRAM 54 Moscow, April 22, 1953

CONFIDENTIAL

SESSION OF MUTUAL AID NEGOTIATIONS

Reference: My telegram No. 51.†

1. The first meeting took place today. Black represented the Embassy: Cheklin[60] and Spandarian[61] the Soviet Government.

2. We began by expressing our wish for early agreement on amount of debt and set forth our views on desirability of a cash settlement. Cheklin replied that his government felt that the correct amount of debt should be $3,118,960.24. His reasons were, firstly, that two diesel engines, 500 H.P., 8 cylinders, item 3, contract UN 9687, total cost $75,846.33, were not involved in debt as both engines were destined for minesweepers built by Canada for the Soviet Navy; secondly, that total cost of shipments made on S.S. Minchurin, items 1 and 2, UN 9157, to the amount of $83,335.47 is not properly a part of debt as ocean bills of lading are all dated before midnight September 1st, 1945. The amount of debt as suggested by Cheklin shows a discrepancy of $51.34 so that if we were to accept these claims, the debt would appear to be $3,119,011.58.

3. Cheklin then asked for an overall deduction to be made from the total sum of the debt because prices paid in Canada were much higher than prices paid for similar equipment bought at that time from the United States and the United Kingdom. He mentioned discussions with the Soviet Commercial Counsellor in Ottawa in 1945, but based his arguments for a scale down of the debt not so much on special agreement (para. 4 of your despatch No. S.456 of September 12th, 1951) but on the fact that the United States had granted a deduction of 10 percent to the Soviet Union for repayment on non-foodstuffs, Clause 2 (a), Schedule 11 Lend Lease between the United States and Soviet Union, in report to Congress on Lend Lease, September 30th, 1945 (page 51). Cheklin claimed that any deductions granted by the Canadian Government should be higher because of our higher prices and the fact that compressors and electric motors (which comprise nearly half the debt) cost nearly 50 percent less in the United States and the United Kingdom. He put forward

---

[60] Chef, département du Commerce, ministère du Commerce intérieur et extérieur de l'Union soviétique.
Head, Trade Department, Ministry of Internal and External Trade of Soviet Union.

[61] Chef adjoint, département du Commerce, ministère du Commerce intérieur et extérieur de l'Union soviétique.
Deputy Head, Trade Department, Ministry of Internal and External Trade of Soviet Union.

as a preliminary figure an overall reduction of 30 percent but emphasized that this was only preliminary.

4. Cheklin then discussed credit payments and put forward suggestion of payments made on credit terms, using 1950 agreement as a precedent. We expressed the view contained in your instructions regarding credit payments and at the mention of $500,000 in service costs Cheklin suggested that the matter of payments be discussed at a later date once the amount of debt had been agreed. He intimated that the Soviet Government might be willing to pay in cash but that this depended on our attitude with regard to the overall reductions. The discussions closed on this point and Cheklin was told that we would bring his government's views to the attention of the Canadian Government.

5. I should appreciate receiving instructions, firstly, with regard to specific items which the Soviet Government claim are not part of the debt and, secondly, with regard to an overall reduction of the debt. The suggestions contained in your despatch of September 12, 1951, for resisting any scale down of the debt still apply but we are of the impression that the Soviet Government will do their utmost to obtain some reduction and that it is on this point that the hardest bargaining will take place. Insofar as the matter of service cost is concerned, if we are to raise this matter in attempt to obtain a cash settlement, it might be useful if we have details of costs to back up our case.

1021. DEA/4929-V-40

Le chargé d'affaires en Union soviétique
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union
to Secretary of State for External Affairs

DESPATCH 354 Moscow, April 24, 1953

CONFIDENTIAL

MUTUAL AID NEGOTIATIONS

Reference: My Telegram No. 54 of April 22, 1953.

My telegram under reference gave the details of the first meeting with officials of the Ministry of Foreign Trade, but I thought it might be useful in this despatch to review the Soviet stand and make some suggestions for counter-proposals at the next meeting. The Soviet negotiators felt that two items were not part of the debt:

(a) The two diesel engines, 500 HP, 8 cylinders, item 3, contract UN9687, total cost $75,846.33, were destined for the minesweepers built by Canada for the Soviet Navy;

(b) The total cost of the shipment made on the S.S. Minchurin, items 1 and 2, UN9157, total cost $83,335.47, is not affected by the debt as the ocean bills of lading are all dated before midnight September 1, 1945.

I am in no position to judge the reliability of these claims though they seem reasonable, but in any case it should not be difficult to settle these two items and agree on the total amount of the debt at the next meeting.

2. The Soviet request for a scaling-down of the debt, because of higher prices in Canada than in the United States and the United Kingdom, and because discussions had at one time taken place concerning a special arrangement to lower prices (discussions which were broken off by the Soviet Government) seems to us to be based on rather flimsy ground. The figure of a 30% deduction is probably a try-on (Cheklin could give no basis for such a figure but stated that experts had examined the difference in prices and that this was their preliminary figure) and does not seem to be taken too seriously by the Soviet negotiators, who in the course of the conversation mentioned a possible final figure of 25%. It did seem to us however that they firmly believed that some deduction should be made and if we take our stand that there is no legal or moral reason for a deduction they are liable to let negotiations lapse.

3. Cheklin has by implication tied the question of a deduction to the method of payment by saying that: "A settlement of the deduction question will facilitate payment". I wonder whether we might not in return apply the service costs of approximately $500,000 to the request for a scaling-down of the debt. We might at the next meeting make a statement outlining our position with regard to a deduction and point out the lack of legal and moral reasons for such a deduction and then go on to say that we are willing however to apply the service costs against the debt and by waiving our right to these costs we in effect are reducing the overall cost by about 15%. If we use this argument, we of course lose our trump card in trying to use service costs to effect payment by cash.

4. The other alternatives are refusing to budge on our stand that there is no basis for a deduction in which case, as I have pointed out, negotiations might lapse, or haggling over a figure for deduction while still reserving our right to raise the question of service costs when the method of payment is discussed.

5. The method of payment question, as I mentioned in my telegram, was raised by Cheklin who suggested a credit arrangement taking the 1950 agreement as a precedent. When we raised the matter of service costs he suggested discussing the matter later once the deduction question had been settled. Cheklin stated that his Government would be willing to come to an agreement as quickly as possible but said: "Borrowing countries always want to repay by credit".

6. The meeting took place in Cheklin's office on the third floor of the same building which houses the Ministry of Foreign Affairs. It lasted 45 minutes, and was quite informal. No detailed notes were taken and both Cheklin and Spandarian were as affable as Armenian traders can be when attempting to strike a bargain. Cheklin told Black that he would be glad to meet him any time, that he was always available and that a further meeting could be quickly arranged by a telephone call to his office. I shall look forward to receiving your instructions on what should be the course we should follow in our next meeting.

R.A.D. FORD

1022. DEA/4929-V-40

Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires en Union soviétique

Secretary of State for External Affairs
to Chargé d'Affaires in Soviet Union

DESPATCH S-159 Ottawa, May 19, 1953

CONFIDENTIAL

MUTUAL AID NEGOTIATIONS

Reference: Your telegram No. 54 of April 22, 1953 and despatch No. 354 of April 24, 1953.

The information contained in your two communications under reference has been carefully studied. The following instructions cover the various points raised.

Deletion of two items

2. The Soviet negotiators may be informed that their representations have been considered and that the Canadian Government is prepared to reduce the amount of the claim to $3,119,011.58. As you noted in your telegram, this is the correct figure after the deletion of the two items in question. If the Soviet representatives continue to cite their figure of $3,118,960.24, they should be asked for an explanation of the discrepancy of $51.34.

Percentage reduction in total debt

3. Our representatives should state that the Canadian Government can find no grounds which would justify any percentage reduction in the total amount of the claim.

4. The claim represents the actual and direct costs incurred by the Canadian Government on behalf of the Government of the USSR in respect of the equipment delivered to and accepted by the Soviet Government. The costs incurred by the Canadian Government are based on the finally adjusted prices (f.o.b. plant) paid by the Canadian Government under contracts with Canadian suppliers. The prices paid are the same as the Government of Canada would itself have been willing to pay had the equipment been purchased for its own account. The prices paid were subject to the same control and close scrutiny which applied to all procurement by the Canadian Government from Canadian suppliers at that time. The prices have been reduced by the amount of taxes and duties included in the contract prices, representing an overall reduction of approximately 8% of contract prices.

5. The Soviet representatives referred to a reduction of 10% against contract prices, granted by the United States in respect of non-foodstuffs under an agreement signed on October 15, 1945 between the Governments of the Soviet Union and the United States. This arrangement was part of an overall settlement under which agreement was reached for the disposition of the undelivered articles which were in inventory or procurement in the United States for the USSR prior to the

cessation of lend-lease arrangements. This agreement included a general undertaking by the USSR to accept delivery of those articles which were in inventory or procurement in the United States for the Soviet Union at that time, and it provided that the USSR would be released from its obligation to accept such articles only upon payment of any net losses to the United States Government, including cancellation charges, resulting from a decision of the USSR not to accept such articles. As the Soviet Government is aware, the Government of the USSR and the Government of Canada were not able to reach a general agreement in respect of goods originally ordered for the USSR but not delivered before the termination of Mutual Aid arrangements. As a result, the Canadian Government was obliged to incur expenditures totalling over $8 million on costs of cancellations effected on the instructions of Soviet representatives, cancellation costs resulting from stoppage of production on orders outstanding, and losses on stores declared surplus.

6. In the light of these losses incurred by the Canadian Government in the disposition of goods on order for the USSR, and in the absence of any undertaking by the Soviet Government to assume responsibility for such losses, the arrangement in respect of prices as part of an overall settlement between the United States and the USSR does not appear to be relevant to the present situation. In this claim the Soviet Government is simply requested to reimburse the Canadian Government for the net costs incurred by it in respect of equipment actually received by the Government of the USSR.

Comparison of prices

7. The Soviet representatives have suggested further that because prices of this equipment in Canada were somewhat higher than in the United States and the United Kingdom, an overall reduction of more than 10% should be made in the amount of the debt. On this point the Soviet representatives should be reminded that in the post-war period the major problem associated with equipment of this type, for which the requirements for post-war reconstruction purposes in the USSR and other countries greatly exceeded the supply, was obtaining actual delivery of the goods. Any comparison in this connection of prices at that time between alternative supplying countries is accordingly in the realm of theory rather than of real practical significance. Furthermore, in view of price trends since the early post-war period, the prices of the equipment included in the claim have proved in the event to be very much in favour of the purchaser.

8. Moreover, the Soviet representatives should be reminded that the Canadian Government did not resort to comparison of prices with other suppliers when arrangements were made to supply the USSR with wheat and other foodstuffs in the early post-war period. Wheat to a much greater value was sold to the USSR on the basis of the costs to the Canadian Government, at a time when wheat was being sold by other supplying countries at considerably higher prices.

9. The Soviet representatives should be told that in view of all these considerations the Canadian Government could not, in the absence of arrangements covering other associated costs, justify an overall reduction with respect to prices applicable under this claim, which is limited to a request for reimbursement of actual and direct costs incurred on the equipment delivered to the USSR.

Risk of negotiations being broken off

10. The warning contained in paragraphs 2 and 4 of your despatch under reference has been noted. For the moment, the possibility that an uncompromising attitude on our part might lead the Soviet side to break off negotiations is a risk which we must accept, while still endeavouring to minimize it. For your information, it would be extremely difficult, if not impossible, for the Canadian Government to agree to the further reduction of a claim which is already set at a minimum figure. Our case against any such reduction is unassailable in logic, and our arguments should be pressed with the utmost vigour. Only in the face of an imminent threat to break off negotiations should our representatives say that the Soviet arguments will receive further consideration; even in that event, our representatives should not imply that there is any real chance that the Canadian Government will change its mind.

Adding service costs to total debt

11. As we understand the suggestion in paragraph 3 of your despatch under reference, it is that we might increase the debt by adding service costs to the principal, and then concede to the Soviet Government a percentage reduction equal to the amount added. This proposal has been considered as a possible method of allowing the Russians to score a technical victory. On balance, however, it has been decided that the device should not be employed. It is important that the Soviet side should gain the firm impression that we are not prepared to compromise in any way on the principal sum of the debt. Moreover, as you have noted, we could not use service costs in this way and also as an argument against credit terms. If service costs were so used, we would be without bargaining counters for the balance of the negotiations.

Calculation of service costs

12. In the last paragraph of your telegram, you asked for details of service costs. It is not possible at the moment to give you a detailed statement. For your information, the basis of calculation is roughly the rate the Canadian Government must itself pay in its own borrowings. The preparation of a statement would be a task of some magnitude, however, and we are justified in not presenting a detailed account so long as we maintain the attitude that we are expecting the Russians to pay cash. If they specifically ask for a statement, of course, one can be provided. For the present, our negotiators should not themselves raise the subject of service costs again. If, by any chance, agreement is reached at the next meeting on the principal sum of the debt and the Soviet representatives make proposals regarding terms, our representatives should repeat that the Canadian Government expects cash payment, but say that the proposals will be examined.

C.S.A. RITCHIE
for Secretary of State
for External Affairs

1023. DEA/4929-V-40

Le chargé d'affaires en Union soviétique au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union to Secretary of State for External Affairs

TELEGRAM 72 Moscow, June 4, 1953

CONFIDENTIAL

MUTUAL AID NEGOTIATIONS

Reference: Your despatch No. S159 of May 19.

1. The second meeting took place today. Trottier represented the Embassy, Cheklin and Spandarian, with Kuzminsky[62] as interpreter, the Soviet Government.

2. We began by summing up the proposals raised by the Russians at the first meeting and then answered them by stating our position, point by point, as outlined in your despatch under reference.

3. Concerning discrepancy of dollars 51.34 Soviet contention is that we erroneously charged dollars 135 for three compressor dies shipped on steamship Suvorov bill of lading No. 904. Contract price was dollars 27.50 per item or dollars 82.50 for three making a difference of dollars 52,50 which becomes dollars 51.34 after deductions of duties of 2.2 percent.

4. We went on to state our position concerning percentage reductions but did not mention the request for cash payments. Cheklin himself after some meditation raised the question of terms giving the impression that he was making the two matters of total indebtedness and conditions of payment contingent upon one another. He attempted to reply in detail to our arguments not, repeat not, very convincingly and he even contradicted himself a few times. He concluded that he was interested only in finding a practical solution. Again he associated the two questions of total indebtedness and conditions of payment and it was our impression that in his mind the discussions must include both points.

5. Throughout the meeting which lasted one hour and 25 minutes he seemed to discuss more or less at random in expectation that we would break the deadlock by a counter-proposal regarding a percentage reduction. Finally he asked outright whether we could not offer a reduction of 20 percent or even 15 percent. After we had briefly restated the Canadian position he suggested that both sides think the matter over again and that the first who would have something new should contact the other.

6. The Soviet negotiations did not, repeat not, bring up anything new and I think we cannot hope to obtain anything unless we are willing to depart from our present

[62] Probablement un membre du département du Commerce, ministère du Commerce intérieur et extérieur de l'Union soviétique.
Probably a member of Trade Department, Ministry of Internal and External Trade of Soviet Union.

position and to make some proposal based on relative value to us of obtaining total sum owed in return for a concession on the terms of repayment or vice versa.

1024. DEA/4929-V-40

Extrait d'une dépêche du secrétaire d'État aux Affaires extérieures au chargé d'affaires en Union soviétique

Extract from Despatch from Secretary of State for External Affairs to Chargé d'Affaires in Soviet Union

DESPATCH S-202 Ottawa, June 23, 1953

CONFIDENTIAL

MUTUAL AID NEGOTIATIONS

Reference: Your telegram No. 72 of June 4, 1953.

I attach a copy of a letter dated June 15, 1953, from the Department of Finance,† in reply to this Department's letter of June 8, a copy of which was referred to you.†

2. As you will see, Mr. Deutsch has agreed with the suggestion that our negotiators should allow some time to pass, to provide for the unlikely event of a Soviet concession towards our position and to avoid appearing over-anxious. In the meantime, it will be in order for you to let the Soviet negotiators know that we accept their figure for the total amount of the claim, to inquire whether they have anything new to offer as a result of their consideration of our arguments, and to say, if asked, that there is nothing to be added to the statement of our case made at the last meeting.

3. I should appreciate learning whether this exchange brings any reaction from the Soviet side. I should also be grateful for your views on the suggestion, made in the Department's letter of June 8, that similar inquiries might be made from time to time, and on the question of how long the present impasse should be allowed to continue in the absence of any move from the Soviet side.

. . .

C.S.A. RITCHIE
for Secretary of State
for External Affairs

1025. DEA/4929-V-40

Le chargé d'affaires en Union soviétique au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union to Secretary of State for External Affairs

DESPATCH 572 Moscow, July 16, 1953

CONFIDENTIAL

MUTUAL AID NEGOTIATIONS

Reference: My Telegram No. 96 of July 14, 1953.†

The Russians saved us the trouble of having to make periodical enquiries from them as well as of having to send, in answer to paragraph 3 of your despatch No. S-202 of June 23, our views on how long we should let the negotiations lag, as Mr. Spandarian himself telephoned the Embassy on Tuesday, July 14th, to invite Mr. Trottier to visit him on the afternoon of the same day.

2. As I have reported in my telegram, Mr. Spandarian conducted the meeting for the Soviet side, with the assistance of Mr. Kuzminsky, in the absence of Cheklin who left the Soviet Union for Argentina three weeks ago. After an exchange of pleasantries Mr. Spandarian asked Mr. Trottier if he had anything new to report on behalf of the Canadian Government. Our agreement to the Soviet request that the total amount of indebtedness should be reduced by $51.34 down to the figure of $3,118,960.24 was announced and Mr. Spandarian received this news with a show of satisfaction. In so doing, his manner contrasted with the attitude taken by Mr. Cheklin at the previous meeting when the latter dismissed the matter of the difference of $51.34 with the comment that it was a mere detail which could easily be solved if an agreement could be reached on the other questions.

3. Continuing in his amiable tone, Mr. Spandarian then stated in an emphatic manner that in order to hasten the solution of the question, he wished to inform us that he intended to submit to his Minister a new proposal. He then proceeded to explain that, since the Canadian Government was interested in a cash payment, he was willing to grant us satisfaction on this point provided we were willing to grant a "reasonable" reduction of the total indebtedness. When asked if he intended to stand by the request originally formulated by Mr. Cheklin for a reduction of 30%, he answered that no percentage figure should be discussed at this meeting but only the principle of his proposal for a payment in cash in exchange for a reasonable reduction. He laid stress on the word reasonable, adding that the reduction should, in his opinion, take into account the difference between the Canadian and the American prices as well as the amount of the reduction granted by the United States. As at the previous meeting the Soviet negotiators had expressed the view that the American prices were 40% lower than ours and as the reduction granted by the Americans was of 10%, the condition that those two factors should be taken into account is a fairly elastic one and Mr. Spandarian commented that they were ready to consider "any reasonable offer".

4. Mr. Trottier then stated that since he had no new instructions on this question, he was obliged to maintain our position that the difference between Canadian and American prices and the reduction granted by the United States were not acceptable to us. Mr. Spandarian answered very politely that he understood that we could not do otherwise than repeat our position on this point but he added that since his offer was made in order to hasten the solution of the question, we should reply as early as possible. He then intimated that if our reply was delayed too much, he might have to revert to his original stand. He was told that we would duly report his offer. The meeting lasted 20 minutes.

5. The new Soviet proposal is pretty much along the lines I had said I expected they might make — see my despatch No. 464 of June 5th.† This offer represents an appreciable concession in view of the fact that in the original Soviet note of January 6th, in which the Russians expressed a readiness to negotiate, the Soviet authorities had stipulated that their indebtedness "would be regulated on the basis of credit, the conditions of which will be defined in the process of the negotiations". In view of the continued Soviet insistence on a percentage reduction, and also in view of the intimation that if we do not accept their present offer, they might revert to their previous position, I seriously consider that we could not expect them to give in to all our conditions and that we should follow up this opening. We are in the position of trying to settle a bad debt and I think that the best way would be for us to close the matter as soon as possible by taking a payment in cash in exchange for a concession in respect of the total amount of indebtedness. The extent of this concession would of course be the object of some strenuous bargaining in which our argument about the interest of the debt could be pressed to the limit. I look forward to receiving your instructions in this respect.

R.A.D. FORD

1026. DEA/4929-V-40

Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires en Union soviétique

Secretary of State for External Affairs
to Chargé d'Affaires in Soviet Union

DESPATCH 240 Ottawa, August 6, 1953

CONFIDENTIAL

MUTUAL AID NEGOTIATIONS

Reference: Your Despatch No. 572 of July 16, 1953.

I am attaching a copy of a letter dated July 27, 1953, from the Department of Finance, in reply to our letter of July 15, a copy of which was referred to you.† We subsequently sent the Department of Finance on July 28 your letter No. 572 of July 16, and have been informed orally by them that they do not wish to modify the suggestions made in their letter of July 27.

2. You will see from Mr. Deutsch's letter that he has agreed that we should meet the Soviet offer to pay in cash by offering to reduce the debt by 10%. In order that the Russians should not assume that this reduction represents only a first offer, Mr. Deutsch suggests that you could begin by reiterating our position. You could then inform them that, as a practical matter, we are prepared to accept a reduction of 5% in return for a cash payment. If the Russians reject this offer, you should endeavour to leave the door open for the resumption of negotiations with a view to securing final agreement on a reduction of 10% in return for a cash settlement.

3. I shall be interested to learn the reaction of the Soviet government to this latest proposal.

C.S.A. RITCHIE
for Secretary of State
for External Affairs

1027. DEA/4929-V-40

Le chargé d'affaires en Union soviétique au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union to Secretary of State for External Affairs

TELEGRAM 116 Moscow, August 17, 1953

CONFIDENTIAL

MUTUAL AID NEGOTIATIONS

Reference: Your despatch No. 240 of August 6th.

1. Fourth meeting took place with Spandarian and Ivanov[63] and with Trottier and Barker[64] for the Embassy.

2. Offer of five percent reduction was made in accordance with your instructions in despatch under reference. Spandarian observed both sides were now in agreement on principle of a cash payment accompanied by a reduction. Discussion ensued about basis for a "reasonable" reduction. Spandarian said that the United States-USSR agreement did not stipulate Soviet responsibility for equipment in the inventory and that therefore Soviet claim for a 10 percent reduction on the basis of American precedent still held. We protested and he admitted that he was not certain of this point and would study the matter again together with our proposal.

3. He recalled that Cheklin had already submitted for discussion a proposed reduction of 30 percent based on the 10 percent granted by the United States and on the fact that Canadian prices were higher. He added that in his personal opinion 10

[63] Probablement un membre du département du Commerce, ministère du Commerce intérieur et extérieur de l'Union soviétique.
Probably a member of Trade Department, Ministry of Internal and External Trade of Soviet Union.

[64] J.R. Barker, troisième secrétaire, ambassade en Union soviétique.
J.R. Barker, Third Secretary, Embassy in Soviet Union.

percent would be a minimum figure. As he had no precise counter offer to make and as he was pressing for another meeting next week we withheld arguments about service costs so as to have something new on which to counter any offer they would have before we ourselves offer a 10 percent reduction.

4. Spandarian stated that he wanted to conclude the discussion as soon as possible and presented us with a draft of a note designed to settle the matter which reads as follows: "The Government of the USSR will pay to the Government of Canada for equipment and material delivered after September 2nd, 1945, in one payment to Canadian Bank (name to be inserted) X dollars (Canadian) and X cents.

All mutual claims of both Governments in connection with delivery by Canada to the USSR of above mentioned equipment and materials are held to be finally settled by this".

5. Please telegraph before Sunday, August 23rd, if this draft is satisfactory or, if not, the text which you would be prepared to exchange in case agreement on reduction is reached next week. We suggest the inclusion in the draft of a date of payment.

1028. DEA/4929-V-40

Le chargé d'affaires en Union soviétique au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union to Secretary of State for External Affairs

TELEGRAM 117 Moscow, August 20, 1953

CONFIDENTIAL

MUTUAL AID NEGOTIATIONS

Reference: My telegram No. 116 of August 17th.

Fifth meeting took place today at the request of the Russians with same participants as last time.

2. Spandarian promptly stated that in view of last Canadian proposal of a five percent reduction he had convinced interested Soviet organizations that they should reduce their demands. He made firm offer of ten percent which he said would be minimum acceptable to them. Implying this was a major concession, he urged final agreement should be reached next week on total sum of indebtedness and on text of notes to be exchanged.

3. Russians are clearly anxious to wind up negotiations and I would therefore appreciate your early instructions concerning time of payment and text of notes.

1029. DEA/4929-V-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires en Union soviétique

Secretary of State for External Affairs to Chargé d'Affaires in Soviet Union

TELEGRAM 92 Ottawa, August 22, 1953

CONFIDENTIAL

MUTUAL AID NEGOTIATIONS

Reference: Your telegrams No. 116 of August 17 and No. 117 of August 20.

Delighted at progress of negotiations. You and your officers are to be heartily congratulated on your skilful handling of this matter.

2. Suggest Soviet draft note might be amended along following lines:

Quote: The Government of the USSR will pay to the Government of Canada, on or before September X, 1953 (insert agreed date not more than one month from date of note), for equipment and material delivered after September 2, 1945, in one payment to the Receiver General of Canada through the Bank of X in X (any Canadian chartered bank, its location in Canada to be indicated), the sum of Canadian $2,807,064.22.

All mutual claims of both Governments in connection with delivery by Canada to the USSR of above-mentioned equipment and material are held to be finally settled by this payment. Unquote.

3. You should of course accept offered ten per cent reduction, with good grace and whatever show of reluctance you can muster. If the Russian side are acting in good faith, they should not object to early and specific date of payment.

4. If agreement can be reached along these lines, you are of course authorized to sign the resulting note without further reference to Ottawa.

1030. DEA/4929-V-40

Le chargé d'affaires en Union soviétique au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union to Secretary of State for External Affairs

TELEGRAM 122 Moscow, August 25, 1953

CONFIDENTIAL

MUTUAL AID NEGOTIATIONS

Reference: Your telegram No. 92 of August 22nd.

1. Agreement on total indebtedness of $2,807,064.22 was reached at the sixth meeting which took place today with Spandarian amiably accepting our draft instead of theirs with the following modifications. They wish second paragraph to read "within a month from the date of signature of the present letter" instead of "on or before September X, 1953". Name of the bank and other details to be settled by telephone as well as the time of the signature tentatively set at Friday afternoon depending on whether Cheklin is back.

2. Please inform me if you intend issuing public statement concerning agreement.

1031. DEA/4929-V-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires en Union soviétique

Secretary of State for External Affairs to Chargé d'Affaires in Soviet Union

TELEGRAM 98 Ottawa, August 27, 1953

CONFIDENTIAL. IMMEDIATE.

MUTUAL AID NEGOTIATIONS

Reference: Your telegram No. 122 of August 25.

Proposed modification is of course acceptable.

2. We should prefer not repeat not to have agreement made public at this time, and would hope the Soviet side could be persuaded to treat it as an ordinary business transaction whose announcement to the press would be unnecessary. On the other hand if the Russians are determined to make a public statement, we would probably wish to make a simultaneous announcement.

1032. DEA/4929-V-40

Le chargé d'affaires en Union soviétique
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union
to Secretary of State for External Affairs

TELEGRAM 124 Moscow, August 27, 1953

CONFIDENTIAL. IMPORTANT.

MUTUAL AID NEGOTIATIONS

Reference: My telegram No. 122 of August 25th.

1. Signature and exchange of letters have been arranged for Friday, August 28th, at 1700 hours with Spandarian not, repeat not, Cheklin.

2. As there is no Russian equivalent for "Receiver General of Canada" this has been changed to "Government of Canada" as in the letter constituting the agreement of 1950 concerning foodstuffs.[65]

1033. DEA/4929-V-40

Le chargé d'affaires en Union soviétique
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union
to Secretary of State for External Affairs

TELEGRAM 126 Moscow, August 28, 1953

CONFIDENTIAL

MUTUAL AID NEGOTIATIONS

Reference: My telegram No. 124 of August 27th.

1. Exchange of letters constituting the agreement took place today at 1800 hours Moscow time. I signed for Canada and Spandarian for the USSR.

2. It was agreed that no, repeat no, publicity would be made by either side.

---

[65] Note marginale:/Marginal note:
Telephoned to Hume Wright, Finance — no objections — D. S[tansfield]

SECTION D

MINES DE NICKEL DE PETSAMO
PETSAMO NICKEL MINES

1034. DEA/50127-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires en Union soviétique

Secretary of State for External Affairs to Chargé d'Affaires in Soviet Union

DESPATCH S-33 Ottawa, January 31, 1953

SECRET

PETSAMO[66]

Reference: Your Despatch No. 14 of January 7, 1953.†

During a visit to the Department on November 14, 1952, Mr. F. Noblet, Assistant Treasurer of the International Nickel Company of Canada in New York, said that his company was considering the possibility of accepting, in England, the amounts in sterling which have been offered by the Soviet authorities, assuming that some procedure for doing so would be acceptable to the United Kingdom authorities. Mr. Noblet has said nothing further to us about this possibility and in a letter of January 27, 1953, commenting on the draft note enclosed with your despatch under reference, he makes no reference to the possibility discussed in November.

2. We are considering, with the Department of Finance and the Bank of Canada, whether it would be desirable to pursue Mr. Noblet's earlier suggestion, either with the International Nickel Company or with the United Kingdom authorities. Until some decision is reached, I do not think there will be much point in sending further communications to the Ministry of Foreign Affairs.

R.E. COLLINS
for Secretary of State
for External Affairs

[66] Voir les documents 1015-1016./See Documents 1015-6.

1035. DEA/50127-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires en Union soviétique

Secretary of State for External Affairs to Chargé d'Affaires in Soviet Union

DESPATCH S-49 Ottawa, February 9, 1953

SECRET

PETSAMO

Reference: My Despatch No. S-33 of January 31, 1953.

In my despatch under reference, I told you that consideration was being given to following up a suggestion made by the International Nickel Company of Canada last November. This was that some means might be found of accepting, in England, the amounts in sterling which have been offered by the Soviet authorities.

2. It has now been decided that any initiative in this connection should be left with the International Nickel Company. Since the International Nickel Company is apparently not prepared to pursue the idea at the present time, we can continue to press the Soviet authorities for payment. For this purpose, the draft note forwarded with your despatch No. 14 of January 7, 1953, would be satisfactory. The words "is still outstanding" in the penultimate sentence of the draft note should be changed to "remains unpaid". This will make it clear that the amount about which we are protesting has not been received in Canada, rather than that the sum is still outstanding on the Soviet books, since the Soviet claim is that their books have been cleared.

3. I should be grateful if you will let me know in due course when this note has been delivered.

C.S.A. RITCHIE
for Secretary of State
for External Affairs

1036. DEA/50127-40

Le chargé d'affaires en Union soviétique
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union
to Secretary of State for External Affairs

DESPATCH 266 Moscow, February 20, 1953

SECRET

PETSAMO

Reference: Your despatch No. S-49 of February 9, 1953.

In accordance with your instructions I have sent another note, No. 24, dated February 20, 1953, to the Soviet Ministry of Foreign Affairs requesting payment of the amount of US $2,916,625.

I attach two copies for your information.

R.A.D. FORD

[PIÈCE JOINTE/ENCLOSURE]

L'ambassade en Union soviétique
au ministère des Affaires étrangères de l'Union soviétique

Embassy in Soviet Union
to Ministry of Foreign Affairs of Soviet Union

NOTE NO. 24 Moscow, February 20, 1953

The Canadian Embassy presents its compliments to the Ministry of Foreign Affairs of the USSR and has the honour to refer to the latter's aide mémoire of January 2, 1953,† concerning the payment of compensation owing to the Canadian Government for the nickel mines at Petsamo.

The Canadian Government cannot accept the contention of the Soviet Government that the latter has fulfilled its obligations under the terms of the protocols of October 8, 1944, and September 29, 1947, since the sum of US $2,916,625 remains unpaid. It would therefore be appreciated if the Soviet Government would take the necessary steps to ensure the early payment of this sum in United States dollars in order to cover its present default under the terms of the protocols.

1037. DEA/50127-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires en Union soviétique

Secretary of State for External Affairs to Chargé d'Affaires in Soviet Union

DESPATCH S-139 Ottawa, April 29, 1953

CONFIDENTIAL

PETSAMO

Reference: Our telegram No. 39 of April 6, 1953.†

While it was not considered desirable for you to raise the subject of Petsamo in your interview with Mr. Molotov, we do think it might be useful to re-open the question at this time on a lower level.

2. Our idea is that you might seek an appointment with the Head of the Second European Division and discuss the matter informally with him. It would be better, we think, to deal with someone who is familiar with the subject, rather than with someone, say, at the Deputy Ministerial level who might put you off by claiming ignorance. On this occasion, in order to vary the approach, you need not present a note or aide mémoire, although you might carry a copy of your latest note to serve as a point of reference.

3. You might begin by observing that the Canadian Government has been gratified to note the desire expressed recently by various representatives of the Soviet Government to settle outstanding issues with foreign governments. You could then say that the balance of the Petsamo payments, which has not been received by the Canadian Government, constitutes one of the few unresolved issues between our two Governments. You might conclude by expressing the hope of the Canadian Government that the Soviet Government might see its way clear to re-examine the Petsamo question with a view to its possible final settlement.

4. If, for any reason, you do not consider that an approach of this sort would be appropriate, I should be grateful if you would let me know. Otherwise, I shall be looking forward to learning what kind of reception you meet with.

C.S.A. RITCHIE
for Secretary of State
for External Affairs

1038. DEA/50127-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires en Union soviétique

Secretary of State for External Affaires to Chargé d'Affaires in Soviet Union

DESPATCH S-290 Ottawa, September 15, 1953

CONFIDENTIAL

PETSAMO

Reference: My letter No. 253 of August 10,† and telegram No. 84 of August 4.†

As I informed you in my telegram No. 84 of August 4, 1953, the United Kingdom Treasury has agreed to permit the transfer, to the account of the Mond Nickel Company, of the sterling offered by the Soviet Government. The International Nickel Company is anxious to take advantage of this decision, although the Company would, of course, still prefer to receive payment in dollars if that were possible.

2. I appreciate your concern lest the reopening of negotiations with respect to Petsamo might at this juncture prejudice other negotiations which you are conducting with the Soviet Government. However, since the negotiations on the other matter have now led to the signing of an agreement, there seems to be little danger that the Russians might attempt, by associating the two problems, to delay the solution of either. In the circumstances, therefore, I think you will agree that the Petsamo negotiations might be reopened.

3. I would suggest that this might be done orally by means of an interview with an appropriate high level official of the Soviet Foreign Ministry. I am attaching to this despatch a draft Memorandum to serve as the outline of the statement which you should make at the time of your interview.† At the end of the interview you should leave a copy of the Memorandum with the Ministry.

4. You will note from the attached Memorandum that the Soviet contention that they are under no obligation to pay the balance of the debt in dollars has still not been accepted and you should once more request payment in that currency. You should go on to say that arrangements have recently been made with the United Kingdom Government which enable the Canadian Government to accept payment in sterling in this particular case. You should, therefore, explain that, if the Soviet Government should still find it impossible to fulfil its obligation in dollars, the Canadian Government would appreciate receiving as soon as possible the balance of the debt in sterling.

5. If, during the presentation of your statement you should sense that you are being given a favourable hearing, you might at your discretion, suggest that the Soviet Government might wish to pay part of the balance in dollars and part in sterling. This possibility is not, however, included in the text of the memorandum

for it is not desired at this time to press for terms which might involve a new series of protracted negotiations.

6. If you are satisfied with the procedure suggested, it would be appreciated if you would arrange as soon as possible to take up this matter with the Soviet authorities. We shall naturally be anxious to have your report, which I hope will record some degree of progress in this matter.

C.S.A. RITCHIE
for Secretary of State
for External Affairs

1039. DEA/50127-40

Le chargé d'affaires en Union soviétique
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Soviet Union
to Secretary of State for External Affairs

DESPATCH 806 Moscow, September 29, 1953

CONFIDENTIAL

PETSAMO

Reference: My telegram No. 132 of Sept. 28.†

On receipt of the instructions contained in your despatch No. S.290 of September 15 I asked for an interview with a Deputy Minister of Foreign Affairs and on September 28 was received by Mr. Zorin,[67] who ranks after Mr. Gromyko in the Ministry. During the oral statement which I made along the lines of the first three paragraphs of your suggested memorandum I noticed that Mr. Zorin's face was taking on a more and more annoyed look and his brows were contracted in a frown. I paused at the end of the third paragraph, but getting no sign whatsoever from him which I could possibly interpret as meaning that the Soviet Government might reverse its previous stand, or consider favourably a suggestion that part of the unpaid sum be paid in dollars, I decided I should not bring up the question which you mentioned in paragraph 5 of your despatch. I therefore went on with the last paragraph of the memorandum, then handing him a copy of what I had said orally. I attach a copy for your files.

2. Mr. Zorin hesitated a few minutes and then replied that our memorandum would have to be studied by the competent authorities as it was too technical for him to give a final answer then and there. He added, however, that it seemed to him, speaking personally, that the question could be settled fairly quickly by a sterling transfer as suggested by us. He asked a few questions concerning the relation-

[67] V.A. Zorine, vice-ministre des Affaires étrangères de l'Union soviétique et représentant permanent auprès du Conseil de sécurité des Nations Unies.
V.A. Zorin, Deputy Minister of Foreign Affairs of Soviet Union and Permanent Representative to Security Council of United Nations.

ship of the International Nickel Company of Canada to the Mond Nickel Company of England and also why the United Kingdom Treasury had not previously authorized the transfer. I answered that I believed the Mond Company was a subsidiary of the International Nickel Company, and in reply to the second, that as the Soviet Government had been informed on many occasions both by us and the United Kingdom, the latter's exchange regulations do not permit a transfer of sterling to a dollar account. I did not explain to him why the United Kingdom Treasury had changed its mind now.

3. Apart from the lack of favourable reaction on the part of Zorin to the first parts of the memorandum, which did not lead me to believe that any useful purpose would be served by raising again the question of at least part payment in dollars, I still believe that the Russians would not back down from the position they have taken so categorically and so many times. We have now given them an out which I believe they will probably seize. To raise again the question of fulfilment of their obligations in dollars would, I think, only have led to another fruitless exchange of correspondence.

R.A.D. FORD

[PIÈCE JOINTE/ENCLOSURE]

Aide-mémoire

Moscow, September 28, 1953

On February 20, 1953, the Canadian Embassy, on instructions from the Canadian Government, sent to the Ministry of Foreign Affairs of the USSR a note protesting against the failure of the Government of the USSR to complete payment in United States dollars of the amount owing as compensation for the Petsamo Nickel Mines under the terms of the Protocols of October 8, 1944 and September 29, 1947. The note drew attention to the fact that the sum of United States $2,916,625 remained unpaid.

The Canadian Government has at all times rejected the claim of the Government of the USSR that the balance due is, at its option, payable in the pounds Sterling equivalent. It will be recalled, moreover, that remittance to Canada could not be made in pounds Sterling in any case, by reason of United Kingdom exchange regulations.

The Canadian Government reaffirms its contention that, under the terms of the Protocols cited above, the Soviet Government was and remains obligated to complete payment of the full amount of the compensation in United States dollars, or in gold. Apart from the strict interpretation of the Protocols, the Canadian Government would wish to receive the amount owing in United States dollars, in preference to any other form of payment. The Canadian Government therefore asks the Soviet Government once more to consider whether payment of the outstanding sum of United States $2,916,625 could not now be made.

If, however, the Soviet Government still cannot see its way clear to making payment in United States dollars, or in gold, the Canadian Government wishes to in-

form the Soviet Government of the following. As a result of special financial arrangements between the International Nickel Company in Canada and the Mond Nickel Company in the United Kingdom, the United Kingdom Treasury has now indicated that it will in this instance permit the transfer of Sterling to the account of the Canadian Government. Failing the completion of the outstanding payments in United States dollars or in gold, therefore, the Canadian Government would be grateful if the Soviet Government would make the necessary arrangements for the transfer to the account of the Canadian Government of the Sterling equivalent of United States $2,916,625. When this transfer has been completed, the Canadian Government will — notwithstanding its position with respect to the Protocols of October 8, 1944 and September 29, 1947 — regard the Soviet Government as having discharged in full its obligations under the Protocols.

1040. DEA/50127-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs to High Commissioner in United Kingdom

TELEGRAM 1787 Ottawa, November 14, 1953

CONFIDENTIAL

PETSAMO

Reference: Our Despatch S-290 of September 15 to Moscow.
Repeat Moscow No. 122.

Soviet Ambassador informed Minister on November 10th that the USSR Government had instructed the USSR State Bank to transfer to the Canadian Government £1,041,652, the equivalent of $2,916,625, the final payment for the nickel mines in Petsamo.

SECTION E

RESTRICTIONS RELATIVES AUX VOYAGES
TRAVEL RESTRICTIONS

1041. DEA/50132-40

Extrait d'un télégramme du chargé d'affaires en Union soviétique au secrétaire d'État aux Affaires extérieures

Extract from Telegram from Chargé d'Affaires in Soviet Union to Secretary of State for External Affairs

TELEGRAM 82 Moscow, June 23, 1953

RESTRICTED

TRAVEL RESTRICTIONS

Circular note from Foreign Ministry, dated 22nd June, 1953, relaxes travel restrictions on diplomats and foreigners in USSR. Major changes are:

(a) Right of transit, but only transit, through Vladivostok and Nakhodka via trans-Siberian;

(b) With the exception of twenty kilometer zone along the border, travel is permitted to all the Ukraine except Western Oblasts, Crimea except Sebastopol, Feodosia and Kerch;

(c) On the Volga and the western coast of Caspian down to and including Baku;

(d) To all central Asian capitals plus south Kazakhstan, central Uzbekistan, central and east Turkmenistan;

(e) Most cities on the list, in accordance with 1952 restrictions, are now free except Omsk, Tomsk, Nobosibirsk, Krasnoyarsk, Jrkutsk, Yenissei way and Taimir Okrug;

2. Minor changes are made within Moscow Oblast compared with 1952 restrictions but automobile travelling is permitted on three Chaussees to Oblast limits with the right to stop in Klin and Zagorsk. Forty kilometer limit still applies and notification is required to go beyond as previously.

. . .

1042. DEA/50132-40

Le secrétaire d'État aux Affaires extérieures
au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs
to Permanent Representative to North Atlantic Council

TELEGRAM 529 Ottawa, June 23, 1953

CONFIDENTIAL

RELAXATION OF SOVIET TRAVEL RESTRICTIONS

Repeated June 24 Washington EX-1129; London No. 1100.

Considerable public interest has been aroused here by the announcement from Moscow. We have not yet seen the full text of the Soviet note and in the meantime, in reply to press enquiries, we have said that the question of our own restrictions on travel by Soviet personnel will be reviewed in the light of the new Soviet regulations when we have had an opportunity to study them.

2. Since the restrictions in NATO countries grew out of NATO consultation, we assume that the subject will be discussed in the Council and that action by individual NATO countries would be inappropriate until this discussion has taken place.

3. Our initial impression is that the remaining Soviet travel restrictions are still considerably greater than those we have applied on Soviet personnel. Moreover, while we should like to express our gratification at the Soviet relaxation, there is little that we could do to relax our own restrictions without abolishing them altogether. At the moment the only type of relaxation on our side that appears feasible would be an extension of the radius of the unrestricted zone around Ottawa from twenty-five to fifty miles. If early discussion takes place in the Council, you might express this as our preliminary view.

1043. DEA/50115-J-40

Le représentant permanent auprès du Conseil de l'Atlantique Nord au secrétaire d'État aux Affaires extérieures

Permanent Representative to North Atlantic Council to Secretary of State for External Affairs

TELEGRAM 544 Paris, July 2, 1953

SECRET. IMPORTANT.

RELAXATION OF SOVIET TRAVEL RESTRICTIONS

Reference: Your telegram No. 529 of June 23 and our telegram No. 513 of June 24†.

At the council meeting on July 1, at Lord Ismay's suggestion there was a preliminary discussion of this matter. Your view was confirmed that the Soviet concessions have been slight, relative to the restrictions that remain.

2. The United Kingdom permanent representative reported in detail on the extent of the Soviet relaxation; in the opinion of his government, there might be a political advantage in making some gesture in return. It was felt that the radius of the restricted zone in the United Kingdom might be extended from 25 to 35 miles around London. No action would be taken without prior consultation with the other NATO countries. In view of the indication given in your telegram under reference, we reported that we might be prepared to take action along the lines envisaged by the United Kingdom. This was also acceptable to Belgium and France, but Italy and the United States were not inclined to make concessions because their regulations were more liberal than the remaining ones in the USSR.

3. After some discussion, it was agreed that if action was to be taken in this regard it had to be taken quickly and that there would be an advantage if such member countries as were prepared to do so could announce at the same time that they were to make some reciprocal gesture (although not necessarily taking the same steps in view of the fact that identical measures have not been taken by all the NATO countries). It was further agreed that permanent representatives would report the council discussion to their respective governments and indicate by Monday July 6 next whether they were prepared to take any part in concerted action at a time to be determined later. The matter is to be discussed again at the next meeting of the council on July 8. If action were to be concerted by a number of NATO countries the Secretary-General, in a press conference, might give background information on the scope of the Soviet measures in an effort to present this Soviet move to public opinion in a somewhat more realistic perspective than seems to have been done hitherto by the press in the various NATO countries. It was also agreed that NATO and National Press statements should be issued simultaneously.

4. *Action Required* : We propose to advise the Secretary-General that if a number of NATO countries are prepared to make a gesture we might relax the restricted zone around Ottawa, as indicated in your telegram of June 23. We should be glad to learn, before Monday July 6, whether you concur.

1044. DEA/50132-40

Le secrétaire d'État aux Affaires extérieures au représentant permanent auprès du Conseil de l'Atlantique Nord

Secretary of State for External Affairs to Permanent Representative to North Atlantic Council

TELEGRAM 561 Ottawa, July 3, 1953

SECRET

RELAXATION OF SOVIET TRAVEL RESTRICTIONS

Reference: Your telegram No. 544 of July 2.

It will be in order for you to inform the Secretary-General that we are prepared, if a number of other NATO countries plan similar action, to relax our own travel restrictions by increasing the unrestricted zone around Ottawa.

2. At the July 8 meeting you might also express our view that precipitate action is not desirable. In the past, the Soviet authorities often prevented travel to destinations which were nominally open, and it seems possible to us that the intent of the new Soviet regulations might similarly be nullified in practice by administrative obstacles. A waiting period of a month or six weeks should provide evidence of whether the Russians mean what they say. For your information, we also think a delay might be useful if the United States, particularly, is not at the moment inclined to join in a gesture of the kind being considered.

3. We are concerned that the United States and Italy may not agree to act with the majority. If a majority of NATO countries were opposed to any relaxation we would not of course, wish to make any move ourselves. If, however, it turns out that a majority do intend to make the gesture but not the United States and/or other important NATO members, we would urge that no concerted action be taken but that members act independently and not simultaneously. In that case no public reference should be made to the consultation on the subject which has taken place in the Council. Ends.

1045. DEA/50132-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires en Union soviétique

Secretary of State for External Affairs to Chargé d'Affaires in Soviet Union

TELEGRAM 94 Ottawa, August 24, 1953

CONFIDENTIAL

TRAVEL RESTRICTIONS

All NATO countries having restrictions on travel by Soviet diplomatic and service personnel, with possible exception of the Netherlands, will make token relaxation on or about August 26. These moves will be given as little publicity as possible. No repeat no NATO announcement will be made and it will not repeat not be revealed that subject was discussed in NATO Council.

2. We plan to notify Soviet Embassy here on August 26 that radius of unrestricted travel around Ottawa is increased from 25 to 75 repeat 75 miles.[68] Copy of our note will be sent when available.

2e PARTIE/PART 2

TCHÉCOSLOVAQUIE : RELATIONS COMMERCIALES ET FINANCIÈRES
CZECHOSLOVAKIA: TRADE AND FINANCIAL RELATIONS

1046. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], March 5, 1953

. . .

IMPORTS FROM CZECHOSLOVAKIA AND POLAND; VALUES FOR DUTY[69]

22. *The Minister of National Revenue*, referring to discussion at the meeting of May 22nd, 1952, recommended that a new directive be sent to customs officers, modifying the original directive concerning the establishment of values for duty of imports from Poland and Czechoslovakia and adding three items to the list of goods subject to valuation.

---

[68] Note nº 17 du 26 août 1953.
Note No. 17, August 26, 1953.

[69] Voir les documents 1015-1016./See Documents 1015-6.

The new directive had been prepared because certain goods were coming from Poland and Czechoslovakia at values which appeared to be below the legal values provided by section 35 of the Customs Act and Poland and Czechoslovakia would not permit first hand verification in the place of origin. The items to be added to the list were toys, cut glassware and pencils. It had originally been planned also to add umbrellas but that was now considered to be unnecessary. The revised wording of the directive would put it in accord with Canadian obligations under the General Agreement on Tariffs and Trade.

An explanatory memorandum had been circulated.

(Minister's memorandum, February 17, 1953 — Cab. Doc. 41-53†; draft revised directive March 1953†)

23. *The Cabinet* approved the recommendation of the Minister of National Revenue and agreed that a revised directive be sent to customs officers concerning the establishment of values for duty of certain importations from Czechoslovakia and Poland and adding certain items to the earlier list of goods on which appraisal should be made under section 38 of the Customs Act.

. . .

1047. PCO

Note du ministre des Finances pour le Cabinet

Memorandum from Minister of Finance to Cabinet

SECRET Ottawa, December 17, 1953

TRADE AND FINANCIAL RELATIONS BETWEEN CANADA AND CZECHOSLOVAKIA

1. In the past year a number of difficulties have arisen affecting economic relations between Canada and Czechoslovakia. In trade matters, Canada found it necessary in the absence of adequate information concerning home market values to impose appraised values on certain Czech goods under Section 38 of the Customs Act. On the financial side Czechoslovakia defaulted on the repayment of the post-war export credit granted to her by Canada. A note has recently been received from the Czech Government protesting once again the valuation procedures in effect against Czech imports and requesting consultations with the Canadian Government on this matter. The purpose of this memorandum is to review briefly recent developments in economic relations between the two countries and to consider the appropriate line of policy to be taken in response to the recent Czechoslovakian representations.

2. Examining economic relations from a Canadian point of view, it would appear that the significant problem concerns the Czechoslovakian debt to Canada. The post-war export credit granted by Canada to the Czechoslovak Government had been used to the extent of [$]16.7 million; repayments of principal and interest reduced the figure to [$]9.99 million by November 1952. Under the terms of our financial agreement with Czechoslovakia, the debt would have been fully repaid by November 1954. Czechoslovakia has, however, defaulted on the payment of capital

and interest due since November 1952. Total amount of principal and interest instalments now due on the loan is $7,013,810, made up of two principal payments of [$]3,330,000 each, due November 1952 and November 1953, and interest on the outstanding balance calculated at 2½%, which at December 1, 1953, amounted to $353,810. The financial agreement provides that in the event of default on a payment of principal, the whole balance of the loan becomes due and payable. After a number of reminders and warnings sent to the Czechs when payment became overdue were ignored by them, the Canadian Government declared the loan to be in default and invoked the provision of the agreement requiring immediate repayment of the entire balance. In April of this year, the Czechoslovak Chargé d'Affaires replied to our representations concerning the default and complained about restrictions imposed by Canada on trade with Czechoslovakia. He stated that in view of these restrictions, his country had temporarily withheld payment of the 1952 instalment due on the loan. We have, of course, made it clear that the commitment to repay the loan constitutes a binding and unconditional obligation of the Czechoslovakian Government, and is in no way related to trade questions.

3. The initial complaint by Czechoslovakia concerning trade relations referred both to export controls on certain strategic materials and to the special valuation procedures applied to certain Czech imports. However, their last note refers only to the latter question. It may be useful, therefore, to recall the circumstances in which the Canadian Government applied these measures to certain classes of Czech goods entering Canada. In the past few years a number of representations have been received from Canadian manufacturers complaining that some categories of Czech imports were arriving in Canada at abnormally low prices. Under the Customs Act the normal procedure for dealing with such complaints is to investigate the fair market values in the country of export. Accordingly, efforts were made to obtain Czechoslovakian consent to have Canadian Customs officials investigate these values in Czechoslovakia. These efforts, persisting for over a year, produced no Czechoslovakian co-operation, and in November 1952 the Canadian Government decided to appraise certain categories of Czech imports under Section 38 of the Customs Act. This valuation procedure provides that for purposes of appraisal for Customs duties, a maximum advance valuation of 50% over invoice values may be made; this measure now applies to the following list of Czech goods: ladies fabric gloves, towels and towelling, hats and hoods, woollen piece goods, glass in sheets, Christmas tree ornaments, cotton thread, toys, cut glassware, and pencils. (See Appendix — Table III)†

4. In their recent note, Czechoslovakia protests that Canada's special valuation procedure is contrary to the General Agreement on Tariffs and Trade and requests consultations on this matter under the terms of Article XXII of that Agreement. In considering an appropriate reply to the Czechoslovak representation, it would appear that decisions are required on the following points.

(1) Should we agree to consult?

(2) If so, where should such consultations take place?

(3) What line should we pursue in such consultations?

5. Under GATT the obligation to afford a member adequate opportunity to consult is unconditional; hence, if Canada wishes to conform to her GATT undertakings, we should be prepared to consult.

6. On the question of what line to take in such consultations as may be held, there would appear to be two alternatives. On the one hand we can continue our present position, i.e., to insist that in the absence of an opportunity to investigate home market values in Czechoslovakia, we have no alternative but to apply the special valuation procedure; and that such action is consistent with GATT. With this approach the loan question would not be discussed in the consultation proper, and in any representations we make on the loan we would continue to insist that there is no relationship between trade matters and the unconditional obligation to repay the loan. Judging from past experience it is unlikely that Czechoslovakia will allow a thorough investigation of fair market values in their country. Hence, if we continue to insist on this right, it appears that a satisfactory solution to the trade problem will not be found. Since Czechoslovakia links the trade problem to their financial obligations, it is in turn unlikely that repayment of the loan will result from this approach.

7. As a practical matter it is unlikely that the Czechs will repay the loan unless some compromise is found on the trade question. If it is considered sufficiently important to obtain repayment of the loan, it may be useful to consider an alternative line of approach whereby in the course of the consultation, while maintaining the principle that the obligation to repay the loan is unconditional, we would be prepared to search for a practical solution to the trade problem as part of a general settlement which would include repayment of the loan. It would appear that any such settlement would involve at least a modification of our present valuation procedure. In this connection it may be possible to work out some arrangement with the Czechs to verify fair market values in a manner which would not run afoul of the limitations imposed under Czech law on disclosure of what may be regarded as security information and at the same time would meet the requirements of our Customs law. One possibility is that the Department of National Revenue might be able to obtain satisfactory information required to verify values from the staff of our Prague Legation.

8. In considering the alternative line of approach it should be noted that overall trade with Czechoslovakia is no longer of real importance to Canada (See Appendix — Tables I & II†). For this reason, trade considerations would not in themselves justify a modification in present valuation practices, were it not for the loan aspect of the problem. Exports have fallen to an annual rate of $150,000 and are expected to remain low, largely as a result of the continuing need to apply strategic export controls. Imports have declined to an annual figure of $2.8 million, due in part to the imposition of the special valuation procedure and consist mainly of nonessential soft goods. While the modification of present valuation procedures might result in some expansion of Czech imports, their volume was not substantial even before the imposition of these procedures and is not likely to grow significantly. However, it can be expected that some objections will be raised against the growth of any such imports, particularly by the Canadian glove and textile industries. Even under present circumstances there is some evidence to show that the prices of cer-

tain Czechoslovakian goods are being lowered in an attempt to get under the present appraised values.

9. In the light of the above considerations it is *recommended that*:

(1) The Canadian Government should agree to consult in accordance with the provisions of GATT.

(2) Such consultation should be held in Ottawa with no publicity.

10. Before these consultations take place, consideration should be given as to whether: (a) we should seek to find a practical solution both to the trade and to the financial problems, which would involve modifying the present valuation procedure or substituting for it some other arrangement which would meet the requirements of our Customs law, in order to obtain repayment of the loan, of which principal of $9,990,000 and interest of $353,810 is outstanding; *or* (b) we should continue to hold our present position, i.e., to insist that in the absence of an opportunity to investigate home market values in Czechoslovakia, we have no alternative but to apply the special valuation procedure.

D.C. ABBOTT

1048. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], December 29, 1953

. . .

CZECHOSLOVAKIA; TRADE AND FINANCIAL ARRANGEMENTS

4. *The Minister of Finance*, referring to the discussion at the meeting of December 18th,† said the significant problem in economic relations with Czechoslovakia was its debt to Canada. The post-war export credit granted by Canada had been used to the extent of $16.7 million and repayments of principal and interest had reduced the figure to $9.99 million by November, 1952. Under the terms of the agreement, the debt would have been fully repaid by November, 1954. Czechoslovakia however, had defaulted on payment of capital and interest due since November, 1952. The financial agreement provided that, in the event of default on a payment of principal, the whole balance of the loan became due and payable. After a number of warnings to the Czechs, the Canadian government had declared the loan to be in default, and had invoked the provision of the agreement requiring immediate repayment of the entire balance. Earlier this year, the Czechoslovak Chargé d'Affaires replied to the Canadian representations and complained about restrictions imposed by Canada on trade with Czechoslovakia. He stated that, in view of these restrictions, Czechoslovakia had temporarily withheld payment on the loan. In reply, it had been clearly indicated that the loan constituted an unconditional obligation of the Czechoslovakian government and was in no way related to trade questions.

The Czechoslovakian initial complaint concerned export controls on strategic materials and valuation procedures. Their latest representations referred only to the latter question. In the past few years, representations had been received from Canadian manufacturers complaining that some Czech imports were arriving in Canada at abnormally low prices. Efforts had been made to obtain Czech consent to have Canadian customs officials investigate these values in Czechoslovakia, but no co-operation had been forthcoming and it had been decided to appraise certain categories of Czech imports under section 38 of the Customs Act which provided a maximum advance valuation of 50 percent over invoice values. As a result, such imports had practically disappeared from the Canadian market.

Czechoslovakia had protested that this special valuation procedure was contrary to the General Agreement on Tariffs and Trade and had requested consultation. It was for decision whether or not Canada should agree to consult and, if the decision were in the affirmative, where such consultations should take place and what line should be pursued at the discussion. Under the GATT, the obligation to afford a member adequate opportunity to consult was unconditional.

In any consultations, Canada could maintain its present position on valuation of Czech imports and insist that there was no relationship between trade matters and the obligation to repay the loan. It would be unlikely that repayment of the loan would follow from this approach. If it were considered sufficiently important, however, to obtain repayment, a more practical solution to the trade problem might be sought. This might involve some modification of present valuation procedures.

An explanatory memorandum had been re-circulated.

(Minister's memorandum, Dec. 17, 1953 — Cab. Doc. 343-53)

5. *In the course of discussion*, it was pointed out, —

(a) that Canada had not supported proposals to have Czechoslovakia removed from the GATT; and,

(b) that it would be advisable to hold the discussions in secret but there was no guarantee that this could be done and, in any event, it was doubtful if difficulties would ensue if it became known that discussions were being held.

6. *The Cabinet* noted the report of the Minister of Finance on current trade and financial arrangements with Czechoslovakia and agreed,

(a) that in accordance with the provisions of the General Agreement on Tariffs and Trade, Canada accede to the request of Czechoslovakia to consult on special valuation procedures which had been adopted in respect of Czechoslovakian imports;

(b) that the consultations be held in Ottawa with as little publicity as possible; and,

(c) that, once arrangements had been made for the consultations, further consideration be given to the course to be pursued in the discussions; it being understood that Canada's agreement to consult did not in any way alter or reduce the obligations of the Czechoslovakian government under the post-war export credit agreement, but that Canada would examine the trade and economic position to see what mutually satisfactory arrangements might be made.

. . .

3e PARTIE/PART 3

POLOGNE
POLAND

SECTION A

TRÉSORS ARTISTIQUES
ART TREASURES

1049. DEA/837-40

Note de la Direction européenne pour la Direction juridique

Memorandum from European Division to Legal Division

SECRET Ottawa, January 22, 1953

POLISH ART COLLECTION IN CANADA

You will recall that at the Heads of Divisions meeting on January 5, Mr. Pearson mentioned his interview in New York with the Polish Foreign Minister on the subject of the Polish art collection in Canada. Mr. Pearson told the Polish Foreign Minister that on his return to Ottawa he would again look into this matter to see if there was any way in which progress might be made. Mr. Pearson promised to get in touch with the Polish Legation in Ottawa if there was anything to report.

2. Recently Berlis[70] of this Division has made a thorough review of the six volumes of file 837-40 ("Entry into Canada of Polish Art Treasures"), and I am attaching for your information an up-to-date summary of the file which Berlis has prepared.†

3. You will recall that the portion of the art collection which remained in storage at the Records Storage Building was removed from Canada by the Polish Legation and returned to Poland in 1948. Portions of the collection which still remain in Canada are as follows:

a) 23 trunks and 1 wooden case at the Provincial Museum in Quebec City;

b) 2 trunks at the Bank of Montreal, Ottawa Branch;

c) 8 trunks which may be at the Polish Catholic church in Killaloe, Ontario, although this has not been confirmed.

4. The collection in Quebec has been "impounded" by the Premier of that Province, who has stated publicly that a release will be granted only in compliance with a court order. Although attempts have been made to draft letters to the Premier of Quebec on the subject of the Polish collection, no letter has in fact been sent to him. Mr. Duplessis' statements would give no ground for expecting that correspon-

[70] N.F.H. Berlis.

dence would accomplish much. However, as the federal Government has, according to the legal opinion which you prepared on November 22, 1949, responsibility in international law with respect to that portion of the art collection impounded by the Quebec authorities, we should perhaps give further thought to means by which Mr. Duplessis might be persuaded to release the Polish property.

5. There is no reason to suppose that Mr. Duplessis' views have changed, but I doubt whether we should assume that this is so without examining possible means of verification. Obviously a public rebuff should be avoided, but I am wondering whether Mr. Duplessis could be sounded out on the Polish art collection when some representative of the federal Government, such as the Minister of Justice, has an opportunity of talking to him on another subject, or at a social gathering. Or could an indirect approach be made to Mr. Duplessis through another member of the Quebec Government, or possibly through the Church authorities?

6. If other approaches should fail, I am wondering whether it would be a useful exercise to investigate again the legal procedures whereby the federal Government could require provincial authorities to give up property for which the federal Government holds responsibility in international law? I do not suppose that it would be politically desirable for the federal Government to engage in a legal battle with the Quebec Government, but perhaps on the official level it is our duty to consider this possibility.

7. I turn now to the portion of the art collection held by the Bank of Montreal. Mr. Heeney[71] and Mr. Erichsen-Brown[72] had talks with the Bank's solicitors in 1951, but there is no report on file to indicate that the Bank made its final position known to us. It might be appropriate to raise this matter once more on a high level with the Bank, and in view of your knowledge of previous discussions I should be interested in having your comments on this possibility.

8. Finally, there remains the part of the art collection which may be stored in the church at Killaloe. For the moment, I am at a loss to suggest what might be done about Killaloe, unless perhaps the cooperation of the Church authorities might be enlisted. I wonder whether your Division has any thoughts on this part of the problem?

9. I regret that I have not been able to propose any brilliant solution for the perplexing problem of the Polish art collection. However, it may be useful if this matter is once more thoroughly reviewed, and in the course of such a review thought can be given to the care and preservation of the collection, as well as to possible means of effecting its return to the Polish state. As a starting-point, your Division may wish to comment on some of the points in this Memorandum, following which

---

[71] En 1951, A.D.P. Heeney était sous-secrétaire d'État aux Affaires extérieures.
In 1951 A.D.P. Heeney was Under-Secretary of State for External Affairs.

[72] J.P. Erichsen-Brown, Direction juridique.
J.P. Erichsen-Brown, Legal Division.

representatives of our two Divisions might discuss the matter and suggest what further action would be appropriate.[73]

R.E. COLLINS

1050. DEA/837-40

Note de la Direction juridique pour la Direction européenne

Memorandum from Legal Division to European Division

SECRET Ottawa, February 27, 1953

POLISH ART COLLECTION IN CANADA

Since receiving your memorandum of January 22 on this subject we have undertaken a review of the legal aspects of this question. We have looked once more at the underlying principles of international law and at the various factors which have had the effect of modifying the application of these principles to the present case. In this memorandum I propose to summarize briefly our conclusions in this regard and to suggest the legal procedures, which might result in a settlement of the question, if it were not for the fact that it would not be politically desirable for the Canadian Government to take such steps. In its conclusions this memorandum does not depart substantially from the legal opinion given by this Division on November 22, 1949.

2. The Polish art collection continues to be the property of the Polish State and the present Government of Poland is fully competent to exercise this proprietary right. Notwithstanding the special responsibility which the Canadian Government is deemed to have in international law for the protection of Polish State property while it is situated in Canada, the Canadian Government cannot be held responsible for the disappearance or removal of part of the collection from the Records Storage Building, since the articles were removed in accordance with the arrangement for storage by the then lawful custodians. In any event, the responsibility in such matters is subject to the criterion of due diligence, which implies that the Canadian Government should use every means at its disposal to afford protection to the property but that, if this has been done, the Government cannot be held accountable for any injury which may have resulted. The Canadian Government since the disappearance of the collection has exercised due diligence in carrying out investigations to determine the whereabouts of the missing portions of the collection. Due diligence does not extend to taking legal proceedings to recover property of a foreign state which has fallen into private hands, unless some overt crime has been committed. In the present case the Canadian Government cannot be held responsible for instituting criminal proceedings against the persons in possession of those portions of the collection of known whereabouts. No evidence has been advanced to support the contention that a crime under the law of Canada has been committed.

[73] Note marginale:/Marginal note:

Reply has been sent. Please return to European Division. G. M[urray]

3. From the time of the "impounding" of part of the collection by the Quebec authorities, however, the Canadian Government must be deemed to have become encumbered with an unfulfilled obligation in international law. A Canadian official had thereby assumed jurisdiction over Polish State property which by well-established principles of international law was immune from such jurisdiction. Canada's position at law, with respect to this part of the treasure, is therefore considerably weaker than with respect to the other portions. The Canadian Government has admitted moreover, some responsibility for preventing the deterioration of any part of the Polish art collection known to be situated in Canada. Therefore, if the matter should ever come before an international tribunal, there is some likelihood that the Canadian Government might be held to be responsible for the recovery of the Quebec part of the collection, for the physical safekeeping of the whole collection and, failing to do these, might be held liable to compensate Poland for any injury suffered. The Canadian Government cannot validly plead constitutional shortcomings as an excuse or reason for not carrying out its responsibilities in international law.

What Legal Action is Available

4. The Polish authorities have taken the position that criminal proceedings should be instituted by the Canadian Government against the "unlawful possessors" of the Polish art collection. In cases of unlawful possession, however, it is more usual for the rightful owner to set the wheels of justice in motion by making a complaint to the appropriate authorities, except where the police have located stolen property as a result of investigations following a theft. There would appear to have been no theft in Canada of the Polish art collection. In 1945 the then legally appointed guardians, in accordance with an agreement of storage, removed the articles from the Records Storage Building as they were entitled to do. "As a courtesy", the RCMP subsequently located these missing articles. Political considerations apart, the Canadian authorities were not obliged — and indeed were precluded from doing so — to take criminal proceedings against the possessors. It is most doubtful whether the criminal action lies in this matter, even if the Polish authorities should see fit to institute it by laying information and complaint in the normal way prescribed by the Code of Criminal Procedure.

5. As for civil proceedings, in both Quebec and Ontario the law provides a right of action for the recovery of movable property of one person, which is being wrongfully detained by another. The legal actions in question are usually open to the owner or to any other person with a lawful right to possession of the property concerned. Whether these civil actions are still open to the Polish Government might depend on the law of prescription in Quebec and the Statute of Limitations in Ontario. It is more than likely that prescription or the Statute of Limitations would be inoperative, or would not be invoked against a foreign sovereign but the point perhaps bears more careful examination by domestic lawyers. There might be other aspects of domestic law which would have a bearing on the legal recourse now open in Canadian courts to the Polish Government. These are questions primarily to be determined by the attorney or advocate, who might be chosen to represent the Polish authorities in the appropriate civil proceedings. Since the Polish Government has shown no disposition to undertake legal proceedings in Canada, it is doubtful

whether the Department or the Legal Division has any responsibility for examining more fully the processes afforded by the law of the two provinces concerned. If, however, the Polish authorities should now be precluded from taking such proceedings at law, for whatever reason, Canadian spokesmen should be very careful in future about urging the Polish authorities to seek recourse in the ordinary courts of Canada.

6. At best, this approach to the problem of the Polish art collection is hardly worthy of the conduct of relations between sovereign states, however necessary it might be because of local circumstances in Canada. From the point of view of international law, it is understandable that the Polish State might not wish to become involved in civil proceedings in Canadian courts; in effect submitting to the jurisdiction of these courts, since the property involved is *in se* immune from such jurisdiction. The Polish authorities would run the risk of being met with counterclaims which might be decided against them. Under ordinary circumstances Poland might reasonably expect its claims with respect to the property to be dealt with through diplomatic channels. The complicating political factors — international and domestic — have placed this case on a footing not readily duplicated in the annals of international law. Accordingly, it is difficult to find not only precedents but legal justification for the various departures from the customary international practice in such matters.

7. A possible solution, but not one likely to attract much support, nor one which I should recommend, would be to refer the constitutional aspects of this case to the Supreme Court of Canada. Such a reference could probably be made under Section 55 (d) or (e) of the Supreme Court Act (1927 R.S.C. Chapter 35). The constitutional question would have to be framed in such a way that the decision of the Supreme Court would state whether (and if so, how) the Canadian Government might, in order to carry out its international obligations, compel a provincial government or official to take the necessary action. In view of the findings of the Privy Council with respect to the treaty power, it is all too likely that any such reference would go against the Canadian Government, even if it were disposed to run the political risks involved in making the reference.

8. Another possibility which was considered last summer was for the Canadian authorities to take action under the regulations administered by the Custodian of Enemy Property. At the time we obtained from the Custodian an opinion, which suggested that the property of enemy and friendly states in the proscribed area vested automatically in the Custodian. If this principle could be extended to apply to the Polish art collection, it would be within the legal competence of the Custodian now to seize the collection in whatever hands it might rest. Even though I have considerable doubt about the political feasibility of such action, I am taking steps to clarify one or two points in order to determine the legality of such a procedure.

9. From time to time a suggestion has been made that the case might be referred to the International Court of Justice. Had the Polish Government been seriously concerned about the recovery of the collection, it might have taken this step some time ago. Canada might have been charged with failure to carry out its international obligations. This charge would have been particularly sticky with respect to the

portion of the treasure located in the Provincial Museum at Quebec. There is good reason to believe that the ruling of the International Court might go against Canada. This is not to say, however, that the problem of restoring the collection to Poland would be resolved.

10. Mr. Duplessis has said that he will release the part of the collection stored at Quebec on the order of "a competent court". He has not stated what court or courts he would consider to be "competent". It is a matter for conjecture whether he would so consider the International Court of Justice. If the International Court were to reach a finding against Canada and were to issue an order for the restoration of the collection to Poland, and if the Quebec authorities refused to recognize the validity of the decision or the order, the position of the Canadian Government would be even more embarrassing and difficult than it is at present. The Government might well be faced with an alternative to performance of paying compensation to Poland. This live possibility is a most compelling reason for not taking the initiative in referring the matter to the International Court of Justice.

Out of Court Settlement

11. Efforts have already been made to obtain the release of the missing portions of the art collection by reaching some sort of agreed settlement with the present possessors. Approaches to the Quebec Government have been made, and might still be made, through political, social or religious channels. These offer the most likely line of settlement and might be fully examined in any joint memorandum prepared by European and Legal Divisions.

12. In previous negotiations with the Bank of Montreal there was some suggestion that the part of the collection deposited with the Bank might be released to the Polish Government, if a suitable undertaking indemnity were to be provided by the Canadian Government. Whether such an undertaking should be given is not merely a question of policy, since the Bank would almost certainly require to be indemnified in terms of money and since there might not exist any legal authority which would permit the Government to enter into such an agreement. The views of the appropriate Departments of the Canadian Government would have to be sought to determine the legal and financial implications. As an alternative, it is possible that this part of the collection might be released, assuming the Canadian Government were to make such a request to the Bank and to express its approval, over the signature of one of the original depositors,[74] namely Mr. Zaleski, who returned to Poland. This suggestion is based on the (likely) assumption that the second joint depositor, Mr. Polkowski, could not be persuaded to assist in obtaining the release of this part of the collection.

13. Finally, consideration might be given to the possibility of an agreed settlement by the parties concerned, that is, between the Polish Government and the persons in possession of the collection. In the present international circumstances, the

[74] S. Swierz-Zaleski et Joseph Polkowski étaient les conservateurs au musée du château de Wawel, à Cracovie, qui accompagnèrent les trésors artistiques lorsqu'ils furent déménagés hors de la Pologne.

Dr. S. Swierz-Zaleski and Joseph Polkowski were custodians at Wawel Castle, Krakow, who accompanied the art treasures during their removal from Poland.

exiled Poles are likely to be even less cooperative than they were in 1947, when Mr. Brockington[75] made his offer for restoring the collection. Nor is the Polish Government likely to be better disposed to deal now with the "traitors to Poland". In short, the possibility of this sort of settlement appears to be remote.

K.J. BURBRIDGE

1051. DEA/837-40

Note de la Direction européenne
pour le sous-secrétaire d'État suppléant aux Affaires extérieures

Memorandum from European Division
to Deputy Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, March 5, 1953

POLISH ART COLLECTION

The following are the arguments which have normally been used to combat Polish propaganda with respect to the art collection in Canada:

(a) The Canadian Government has no responsibility for the art collection which, by agreement reached at the time of its entry into Canada, was to remain the property of the Polish state;

(b) The Polish Government can seek recourse through the Canadian courts;

(c) The dispute is one between the Polish Government and Polish citizens, and it would not be proper for the Canadian Government to intervene.

2. One by one these arguments have lost force.

(a) We can no longer say that the Canadian Government has no responsibility, because we probably have responsibility in international law for that part of the collection held by the authorities of the Province of Quebec.

(b) The question has now been raised whether the law of prescription in Quebec, and the Statute of Limitations in Ontario might prevent the Polish Government from instituting civil proceedings in those provinces, and in the meantime we should refrain from saying that the Polish Government can seek recourse through Canadian courts.

(c) It has now been agreed that Babinski[76] and Polkowski should be granted permanent landing immediately, and if this should happen before amendments to the Citizenship Act are passed, they could become Canadian citizens without delay. This would nullify the argument that the dispute is one between the Polish Government and citizens of Poland.

---

[75] L.W. Brockington représentait les conservateurs des trésors artistiques polonais au Canada.
L.W. Brockington represented the custodians of the Polish art treasures in Canada.

[76] Waclaw Babinski, ministre de Pologne jusqu'en mai 1946.
Dr. Waclaw Babinski, Minister of Poland until May 1946.

3. We are, as you know, investigating what further steps might be taken to solve the problem of the Polish art collection, and the fact that we will perhaps find it increasingly difficult to combat Polish propaganda makes it even more important that some progress should be made with respect to this problem.

R.E. COLLINS

1052. DEA/837-40

Note de la Direction juridique pour la Direction européenne

Memorandum from Legal Division to European Division

SECRET Ottawa, April 4, 1953

POLISH ART COLLECTION

The Department of Justice has replied to our letter of March 12† in which we asked for an opinion on whether legal action was still open to the Government of Poland in Quebec and Ontario to recover the Polish state property, which the Polish authorities have alleged to have fallen into the wrong hands. We also asked for an indication of the nature of the actions which might be open and we sought particular advice on the question of prescription.

2. The Department of Justice has either misunderstood our request or is reluctant to express itself on these points. In the reply Mr. Varcoe[77] takes the position that the Department of External Affairs "would be well advised to continue to take the position that the Canadian Government is not under any duty to intervene on behalf of a foreign government in a dispute concerning the title or right to possession of property". He does not consider that he should "undertake to advise the Polish authorities in any way as to the cause of action" which might be open in the Canadian courts. He adds that, in any event, the position under the law of Ontario and Quebec would depend on "certain facts with respect to the personal property in question which are probably not available to us".[78]

3. As you know, we have no intention of intervening on behalf of the Polish Government nor of changing our policy with respect to the Polish art collection. What we wanted to know was whether it was advisable to continue to suggest to the Polish authorities that redress in this matter might be obtained in the Canadian courts. I must disagree with Mr. Varcoe's opinion that the Canadian Government has no obligation with respect to this property which is in no sense "personal property". Our legal opinion on Canadian obligations is to my mind completely sound in international law. As you are well aware, it concludes that there is an unfulfilled obligation with respect to the part of the Polish art collection, known to be located in the Quebec Provincial Museum. Were it not for the constitutional and political difficulties involved, it seems likely that we would have no alternative but to advise

[77] F.P. Varcoe, sous-ministre de la Justice.
F.P. Varcoe, Deputy Minister of Justice.

[78] Note marginale:/Marginal note:
Most incompetent and wrong on the part of [Department of] Justice. K.J. B[urbridge]

the Canadian Government to take the necessary action to discharge its unfulfilled obligation as regards this portion of the collection.

4. There was never any question that the advice received from the Department of Justice on the questions related to the legal action open, if any, should be conveyed to the Polish authorities. We required this advice, which relates to questions of domestic law, in order to determine what our policy should be with respect to public pronouncements on this point. I fail to see how our letter of March 12 could be interpreted as asking the Department of Justice to give advice to the Polish authorities.

5. Mr. Varcoe's last paragraph has all the appearance of evasive tactics. I am not aware of any facts relating to the property which are not available to us and which might have a bearing on the legal position. What we have asked the Department of Justice to do is to place themselves in the position of the advocate or lawyer, who might be called upon to advise the Polish authorities on what legal action might be taken to recover the property being wrongfully detained. Any domestic lawyer should be able to produce a few suggestions in this regard.

6. We are not likely to get much satisfaction out of a second attempt to elicit the required opinion on the points mentioned. The Department of Justice seems anxious to wash its hands of the whole affair. In my view this makes it all the more important for us to check carefully in future when we are making public reply to Polish allegations about the collection. I am inclined to recommend that we take a more non-committal line with respect to the redress which might be open in Canadian courts.[79]

7. If you agree, perhaps this memorandum or a revised version might be brought to the attention of European Division. In any case, the appropriate officers in that Division should see the reply from the Department of Justice.[80]

G.S. MURRAY

---

[79] Note marginale:/Marginal note:
I agree. K.J. B[urbridge]

[80] Note marginale:/Marginal note:
and have a good laugh. K.J. B[urbridge]

1053. DEA/837-40

Le secrétaire d'État aux Affaires extérieures à la délégation à l'Assemblée générale des Nations Unies

Secretary of State for External Affairs to Delegation to the General Assembly of the United Nations

TELEGRAM 298 Ottawa, December 4, 1953

CONFIDENTIAL. IMPORTANT.

POLISH TREASURES

Last night the December 15 issue of *Maclean's* Magazine appeared carrying 6 pages of photographs by Karsh of that part of the Polish Treasures which is stored in the vaults of the Quebec Provincial Museum. We have heard a rumour that these same photographs may be carried in *Life*.

2. The Polish Delegation may make a protest over this new incident. It will be offensive to them that the treasures, which they cannot even see, can be photographed by a private citizen.

3. The text in *Maclean's* is carefully worded. It comprises for the most part a description of those treasures which have been photographed and of their histories. There is an account of the arrangements under which the photographs were taken. Apparently Karsh suggested to Premier Duplessis that it was a pity that so much beauty remained hidden. The text suggests that Mr. Duplessis then authorised elaborate, secret preparations for the photographing of the collection.

4. Only two political comments appear, which we quote in full below:

(a) "In 1948 while Free Poles and Red Poles wrangled over possession Premier Maurice Duplessis sequestered the treasure and placed it in the guarded vaults of the Provincial Museum."

(b) "But since agents of Red Poland had more than once tried to hijack the treasures, their removal from the guarded vaults to be photographed had to be carried out in deep secrecy".

This latter statement is more provocative, because the Polish Government considers that it has a right to the treasures. While they have tried several times to recover them, there is no evidence that they have ever tried to "hijack" them.

5. We cannot be sure what comments *Life* would make, if it should carry these photographs. However, it will probably be somewhat more offensive to the Poles, and will almost certainly bring a protest.

6. If you should have to reply to a Polish protest you should make the following statement, which you may amend, if the context should require it. Text begins:

"The Canadian Government did not, at any time, accept the custody or control of the art collection which reached Canada in July 1940. It was a representative of the former Polish Government in exile in London who, in fact, explicitly accepted this responsibility on behalf of his Government. The Canadian Government has accordingly rejected the contention of the present Polish Government that Canada

assumed responsibility for the safe-keeping of the collection and its eventual restitution to the beneficial owners.

The major portion of the collection was removed from storage, prior to Canada's recognition of the present Polish Government on July 6, 1945, by representatives of the only government then entitled to act on behalf of the Polish State. On August 23, 1946 representatives of the present Polish Government took possession of that part of the collection which had been left on Federal Government premises. A further difficulty has resulted from the fact that the joint custodians, one of whom has remained in Canada while the other gave his allegiance in 1946 to the present Government of Poland, have disagreed as to the beneficial ownership.

The Canadian Government has maintained that the Polish Government may take proceedings at law in a civil action to recover these treasures. This is a step which the Polish Government has consistently refused to take." Text ends.

7. The above statement has been carefully phrased to avoid certain legal difficulties in our position. You should be careful to consider them if you should find it necessary to amend the text. These difficulties are:

(a) that, while we have maintained that we are under no obligation to take action to recover these treasures, in fact there is an unfulfilled obligation resting on the Canadian Government with respect to that part of the collection which has been impounded by the Quebec Provincial Museum. There are obvious reasons why we wish to avoid publicly recognizing this obligation.

(b) it is possible that the courts might rule that under the Statute of Limitations in Ontario and the law of prescription in Quebec the Polish authorities would now be precluded from taking proceedings at law. We have requested the advice of the Department of Justice on this question, but they have not given an opinion.

8. It is possible that the Polish protest might make the charge that the treasures, in particular the tapestries and manuscripts, are deteriorating. You might suggest that these photographs give evidence that this is not the case. You should phrase this comment carefully, as we have no proof that some articles have not deteriorated.

9. Should you wish background information on this dispute, you could refer to Porter's article in the July 15, 1953 *Maclean's*, which is concise and accurate, though naturally franker than we can be in public.

1054. DEA/837-40

Le sous-secrétaire d'État aux Affaires extérieures
à la légation en Pologne

Under-Secretary of State for External Affairs
to Legation in Poland

LETTER NO. S-411 Ottawa, December 9, 1953

SECRET

POLISH ART TREASURES

We are attaching for your information two departmental memoranda† and a telegram[81] to the Canadian Delegation to the United Nations, which were hurriedly prepared when the photographs of the Polish art treasures first appeared in *Maclean's*. We are also attaching a set of the photographs and text of the article.†

2. These memoranda were prepared because we expected an immediate protest from the Polish authorities, either here or at the United Nations. Nothing has happened as yet. But it is scarcely possible that the Polish Government can overlook this development after these same photographs have appeared in *Life*. (Although we have not seen them, we have been assured that they will appear.) It is also probable that *Life*'s text will be more provocative.

3. If the Poles should make a protest, we intend to reply with a statement along the lines of the one included in our telegram to the Canadian Delegation.

4. Whether or no the Polish Government should make a protest over the publication of these photographs, it is our intention to review our position concerning the art treasures. We should be grateful for your views on the two following questions:

(1) Do you think the Polish Government sincerely desires the return of the treasures? Or do they prefer that they remain in Canada, so that they can continue to belabour us for failing to return these treasures? There has been a strange silence on their part since the campaign over the Chopin manuscripts, in spite of the article by Porter in the July 15 issue of *Maclean's*. Can their silence be explained by the possible desire of the Soviet and satellite governments to avoid unnecessary provocation of the Western powers?

(2) What do you estimate to be the views of the Polish people towards the fact that these treasures remain in Canada? Do you think that the Polish government gains general support when they criticize us for holding the treasures? Or do the people prefer to know that they are stored in Canada, safe from the hands of their Communist leaders? This question can be asked in another way: do you think the Polish Government would gain popular approval if the treasures were somehow to be returned to Poland?

[81] Le document précédent./The preceding document.

5. We shall let you know if there should be any further developments. As yet the Press Office has not received any inquiries regarding the treasures.

J.A. CHAPDELAINE
for Acting Under-Secretary of State
for External Affairs

1055. DEA/837-40

Le chargé d'affaires en Pologne
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Poland
to Secretary of State for External Affairs

DESPATCH 614 Warsaw, December 27, 1953

SECRET

POLISH ART TREASURES

Reference: Your letter No. S.411 of December 9, 1953.

There has been no reaction here, official or unofficial, to the publication of the photographs of the Polish art treasures. Perhaps the Poles do not consider *Maclean's* important enough to warrant action. *Life*, however, is one of their favourite whipping-boys, and they may be waiting for a chance to develop a dual propaganda approach.

2. In any event, I am glad to hear that you plan to review the whole question. In Mr. Carter's[82] absence, I am answering the questions you raised in your letter in case you plan to start your review immediately. Mr. Carter's knowledge of the question is, of course, much more adequate than mine, and he may wish to amend my comments on his return. If this turns out to be the case, we will notify you immediately.

3. It is difficult to say whether the Polish government sincerely desires the return of the treasures. In one respect, I suppose they do not; as long as the treasures remain in Canada, the Polish government has a stick with which to beat us. But they have been beating us with the same stick for years now, and perhaps their propaganda has reached the point of diminishing returns. They probably feel that the issue is an embarrassing one for us, but as propaganda for domestic consumption, the whole thing probably has lost some of its edge. Most Poles who read now know that the treasures are in Canada, and have formed their own opinions about the subject.

4. The silence which has prevailed during the past few months may result from the government's realization of the inefficiency of its propaganda, or it may simply be that there have been other more important items to be processed by the propa-

[82] T. LeM. Carter, chargé d'affaires en Pologne.
T. LeM. Carter, Chargé d'Affaires in Poland.

ganda mill. The current campaign against the Church, the opposition to EDC, the attacks on Adenauer, the "Praca" incident — all these have prompted reams of propaganda, and, I should think, have provided the public with too many points on which to focus its attention. It may well be that the silence results from a desire to "ease international tension", but I doubt if the Poles would hesitate to raise the issue if they thought it would be useful.

5. However, although our possession of the treasures provides the Polish government with a weapon (which probably is decreasing in value), it would be inaccurate to assume that the government's attitude towards the subject is determined solely by a cynical weighing of its propaganda value. The régime has been assiduous in its efforts to build up in the Poles a sense of pride in their past attainments, and in its own one-sided way has attempted to "bring culture to the people". Castles and churches have been restored, historical relics have been preserved, and research into the past has been encouraged. The fact that this policy has been directed along certain political lines should not obscure the fact that the régime has a respect for culture comparable in its intensity to that shown by a business tycoon to whom culture has come late in life. And because the treasures represent the heart of Polish culture and the soul of Polish history, the government probably wants them back.

6. I realize that I have said that the government both wants, and does not want, the treasures returned. But since it would like to have its cake and eat it too, it probably would be satisfied either way. If this is true, and if the disposition of the treasures would not affect appreciably the Polish government's position, our decision should be based primarily on the effect it would have on us.

7. I do not think there is any unanimity of opinion about the subject among the Poles. One group of Poles, who are out of sympathy with the régime (and whose present position, because of this, is not particularly influential), know the facts of the case, and do not accept the official "theft" interpretation. Indeed, they probably are happy to see the treasures in a safe place, partly because they expect another war eventually and, partly because they would prefer the treasures to be in the hands of a Polish government other than the present one. If we decide to hold the treasures until after these two eventualities, we may find them on our hands for a long time. On the other hand, these Poles probably would not judge us too harshly if we were to return the treasures. The treasures, after all, would be returned to Poland, and not to the personal possession of its communist leaders.

8. Another segment of Polish society — the artists, the historians, the intellectuals generally — have a professional, as well as an emotional interest in the treasures, and would welcome their return. The younger members of this group probably feel they owe much to the régime, and the older members must conform in order to pursue their vocations. As a result, the government's propaganda probably has taken root, and has induced resentment of our position. Return of the treasures probably would not produce warm friendship for Canada, but it would at least remove one concrete source of hostility.

9. This leaves the "men on the street" who, it must be assumed, accept at least some of the government's propaganda as the truth. After being told the same story for years, many probably feel that the Canadian government did "steal" the

treasures. If the treasures were returned, the Polish government would probably cast us in the role of a repentant thief; in any event, we can be sure that the return of the treasures would not be allowed to enhance our position in the eyes of the general public.

10. In general, though, the Polish government would derive little political advantage from the return of the treasures. It would probably build itself up as the saviour of Polish culture, and the return could be interpreted as yet another victory of the "peace camp" over the immoral West, but this line of necessity would be short-lived and at any rate would be less damaging to us than the propaganda weapon that now exists. At the same time, any slight increase in goodwill the communists might gain in Poland would be balanced by the effect the return of the treasures surely would have on Polish nationalism. They are, after all, the core of the Polish tradition, and any bolstering of this tradition fits in quite well with our desire to preserve the Pole's sense of national identity. The return of the treasures would remove us from our present embarrassing position, and if effectively publicized by CBC-IS[83] (and perhaps the BBC[84] and VOA[85]), would provide us with useful propaganda material. Polish notes on the subject have been accompanied by press articles, student protest meetings, and circulars to artists, musicians, museum curators, etc. outside Poland. This approach has probably had some effect, and the return of the treasures would strengthen our position among these people in friendly countries.

11. Return of the treasures might influence the Polish government's thinking about some of the outstanding issues between us, although this is unlikely. We could raise the issue of compensation for nationalized properties, or some of our consular cases, at the same time as the question of the treasures, but the dangers inherent in this approach obviate its advantages.

12. Our main gain would be the removal of a source of embarrassing propaganda, which eventually might have an effect on our friends as well as our enemies. The fact that the treasures are held by a provincial government invalidates our original claim that the Government of Canada is not responsible for the treasures. The trial of Bishop Kaczmarek and the arrest of Cardinal Wyszynski have made an approach to Mr. Duplessis unadvisable during the past few months. Whether an approach will be feasible in the future depends, I suppose, on how difficult you think our present position may become.

W.E. BAUER[86]
for Chargé d'Affaires

---

[83] Canadian Broadcasting Corporation — International Service.
[84] British Broadcasting Corporation.
[85] Voice of America.
[86] Troisième secrétaire, légation en Pologne.
Third Secretary, Legation in Poland.

1056. DEA/837-40

Le chargé d'affaires en Pologne
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Poland
to Secretary of State for External Affairs

DESPATCH 19 Warsaw, January 12, 1954

CONFIDENTIAL

POLISH ART TREASURES

Reference: My despatch No. 614 of December 27, 1953.

I should like to express my agreement with the ideas set out by Mr. Bauer in despatch No. 614. There are one or two points which are worth expanding. I do not think that the comparative silence of the Polish press and radio and other propaganda agencies in recent months is due to a desire to avoid provoking us. I would say rather that the Poles felt that they had exploited the treasures issue as much as they could for the time being and they were waiting for a new aspect before starting up again. The publication of the pictures in *Maclean's* may have given them what they were waiting for. So far, however, there has been no reaction, either official or in the press or radio, to the publication of the pictures.

2. I agree with Mr. Bauer that most ordinary Poles would like to see the treasures in the Wawel Castle where they belong. I think that many Poles would look on the issue from a non-political point of view. They would feel that these things were part of the heritage of Poland and belong in Poland where the Polish people can see them. The treasures are of great interest to the conservatively minded people as well as to those who support the régime, because they are part of Polish history. As Mr. Bauer points out, and as other people have pointed out in the past in the large mass of memoranda on the files, it is not in our interest to deprive the Polish people indefinitely of relics which would serve to keep alive the feeling of Polish national identity. I should say, however, that Mr. McGreer was of the opinion that many Polish people would be glad to see the treasures in safe custody in Canada.

3. I feel that the points raised in your letter S.411 of December 9 are secondary ones. I suggest that a discussion of the treasures should start from the legal opinion that there is an unfulfilled obligation on the Canadian Government with respect to those treasures which have been impounded by officials of the state in Canada. We should seek to fulfil our international obligations. It is the non-fulfilment of this obligation which has made the Polish propaganda at various times rather embarrassing to the Canadian Government. Up to now the Poles have not made the best use of this effective legal point, and they have tried to introduce too many arguments, but some day they may realize where the strength of their argument lies and then their propaganda could be considerably more embarrassing.

4. I would suggest that the subject for discussion should not be "Should we try to return the treasures?" but rather "What can be done to facilitate the return of the treasures?". The next step for some months has apparently been an approach to the

authorities of the Province of Quebec. The recent anti-Catholic events in Poland do not create a good atmosphere for such an approach, but on the other hand the publication of the pictures in *Maclean's* provides a point of departure. I would therefore suggest that we should wait for several weeks to see if a protest or other reaction is forthcoming from the Polish authorities, and then that some form of approach be made to the authorities of the Province of Quebec.

T. LEM. CARTER

SECTION B

ÉVALUATION EN DOUANE
CUSTOMS VALUATION

1057. DEA/9533-40

Le chargé d'affaires en Pologne au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Poland to Secretary of State for External Affairs

DESPATCH 38 Warsaw, January 21, 1953

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: My telegram No. 49 of October 30, 1952.

I attach copies of our office translation of a note from the Polish Ministry of Foreign Affairs on this subject[87] which we received yesterday. You will notice that the Polish authorities claim that our Note No. 145 of October 30th, of which I attach a copy,† misrepresented the position about the possible visit to Poland of a Canadian customs official. The Poles have, however, taken two and one-half months to protest against the text of our Note of October 30th and even now they do not say that they would permit a visit to Poland of such a customs official. I have no particular comments to offer on the remainder of the note. As it was simply delivered to the Legation rather than being handed over at an interview, we have not been given any further information on the subject by the Polish authorities.

T. LEM. CARTER

[87] Voir aussi le document 1046./See also Document 1046.

[PIÈCE JOINTE/ENCLOSURE]

Le ministère des Affaires étrangères de Pologne à la légation en Pologne [Traduction]

Ministry of Foreign Affairs of Poland to Legation in Poland [Translation]

NOTE NO. D III AP 23282/1/53 Warsaw, January 20, 1953

The Ministry of Foreign Affairs presents its compliments to the Canadian Legation in Warsaw and in connection with the Legation's note of October 30, 1952, No. 145, concerning Canadian customs charges on goods exported from Poland to Canada, has the honour to advise the following:

On May 28, 1952, in a note addressed to the Polish Legation in Ottawa, the Canadian Ministry of Foreign Affairs advised that it was meeting with certain difficulties in establishing the value of Polish glass wares exported to Canada, this value being the basis for calculating the amount of the customs charges.

After having examined the matter, the Polish Legation in its note of July 7, 1952, gave full particulars which evidently were recognized as sufficient since the Canadian authorities did not make any further stipulations or claim additional particulars to be given.[88]

Nearly at the same time, the Canadian Legation in Warsaw in its note of July 4, 1952, asked as a preliminary enquiry what attitude the Polish Government would adopt towards a proposal to send to Poland, in case of need, a Canadian official who would examine the costs of goods exported to Canada. The Canadian Legation asked in addition in the same note, whether the Polish Government was prepared to facilitate the provision of information concerning the prices and costs of production of these goods.

The Ministry of Foreign Affairs explained to the representative of the Legation on October 16, 1952, that the only matter at issue concerning the prices on Polish exports had been meanwhile cleared up, and that the Ministry was always ready to give any information necessary to elucidate whatever doubts arise in relation to the prices on any other articles exported to Canada. Referring to the eventual proposal of a visit of a Canadian official to Poland, the Ministry of Foreign Affairs expressed the opinion, that the extent of commercial relations between Poland and Canada did not require particular investigations in Poland by Canadian customs authorities. The Ministry of Foreign Affairs expressed at the same time its readiness to consider any new proposals by the Canadian Government.

The Ministry of Foreign Affairs feels compelled to recall the development of the question in full detail considering that the Legation's note of October 30, 1952, at variance with the facts quoted above, states that:

[88] Note marginale:/Marginal note:
Have we made any further move in Ottawa.

"the Polish authorities do not wish a Canadian customs official to visit Poland in order to obtain information concerning the value of goods exported to Canada".[89]

The purpose of such distortion of facts in the note by the Canadian Legation becomes clear in the light of the procedure of the Canadian Government in relation to Polish goods exported to Canada. On November 4 already, Mr. McCann, a member of the Canadian Government, publicly declared that additional customs charges would be clamped on the goods exported by Poland. On November 10, it became evident by published data, that the Canadian Government had increased by about 50% the customs charges on a series of Polish export goods, a number of textile goods, glass wares and Christmas tree decorations among other things. Press and radio commentaries of November 18, 1952, based on official information, stated that these moves on the part of the Canadian Government meant a policy directed against the import of Polish goods.

This procedure on the part of the Canadian Government leads to an entire stoppage of Polish exports to Canada and is a violation of the Canadian-Polish Trade Convention of July 3, 1935, of its Article III in particular which reads:

"Articles produced or manufactured in Poland shall not, on importation into Canada, be subjected to other or higher duties or charges than those paid on the like articles produced or manufactured in any other foreign country".

The Polish Government resolutely protests against this unmotivated procedure of the Canadian Government in relation to Polish exports; it is at variance with clearly stated commitments and the Polish Government feels compelled to appraise it as a glaring and inadmissible discrimination.

The Polish Government resolutely claims an immediate abrogation of discriminatory customs orders, making possible the sale of Polish goods in Canada on principles respected in relation to other countries and provided for in the Polish-Canadian Trade Convention.

The Polish Government states at the same time that Polish exporters have been told to furnish any information necessary to justify the invoice value of the goods exported by Poland.

[89] Note marginale:/Marginal note:
This is not a complete quotation — which is much more revealing

1058. DEA/9533-40

Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires en Pologne

Secretary of State for External Affairs
to Chargé d'Affaires in Poland

DESPATCH E-132 Ottawa, April 15, 1953

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: Your despatch No. 38 of January 21, 1953.

The note of the Polish Ministry of Foreign Affairs was discussed with other Government departments and it was decided that we should confine our reply to the principles involved and that we should avoid the various points of procedure which were raised in the Polish note. For your information, the reply to the Czechs on this same question was similarly drafted. Accordingly, I enclose the text of a note along these lines to present to the Foreign Ministry.†

I assume you will advise us when the note has been presented.

A.E. RITCHIE
for Secretary of State
for External Affairs

1059. DEA/9533-40

Le chargé d'affaires en Pologne
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Poland
to Secretary of State for External Affairs

DESPATCH 216 Warsaw, April 30, 1953

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: Your despatch E-132, April 15, 1953.

As requested in your despatch the note along the lines suggested was presented to the Polish Ministry of Foreign Affairs today.

T. LEM. CARTER

[PIÈCE JOINTE/ENCLOSURE]

La légation en Pologne au ministère des Affaires étrangères de Pologne

Legation in Poland to Ministry of Foreign Affairs of Poland

NOTE NO. 48 Warsaw, April 30, 1953

The Canadian Legation presents its compliments to the Ministry of Foreign Affairs and has the honour to refer to the Ministry's Note D.III AP 23282/1/53 of January 20th concerning the verification for duty purposes of Polish goods imported into Canada whose invoice values appear to be too low to meet the requirements of Section 35 of the Canadian Customs Act.

The note of the Ministry of Foreign Affairs has been carefully studied and it appears that the nature of the valuation procedures which the Government of Canada has been obliged to adopt has been misunderstood. Accordingly, the Canadian Legation has the honour to draw to the attention of the Ministry of Foreign Affairs the following facts.

The principles of customs valuation as outlined in the Canadian Customs Law are applicable to imported goods from all sources and afford equality of valuation treatment of goods from all countries. They are in no way discriminatory or arbitrary or otherwise out of harmony with Article 3 of the Canadian-Polish Trade Convention of July 3, 1935.

From the above facts the Ministry of Foreign Affairs will understand that there is no desire or intention to apply any adverse differential treatment to goods from Poland but only to ensure uniform treatment according to principles of customs valuation applicable to imports from all countries. It should be noted that this feature of Canada's Customs Law serves to safeguard fairly valued Polish imports in the Canadian market against competing imports from other countries which might be entered at unverified low values.

The Canadian Legation trusts that this information will clarify for the Ministry of Foreign Affairs the circumstances in which the Canadian Government has found it necessary to appraise certain imports at an advance over invoice values. Should the Ministry of Foreign Affairs wish to consult further on this matter, the Canadian Legation will be pleased to do so.

The Canadian Legation takes this opportunity to renew to the Ministry of Foreign Affairs the assurances of its highest consideration.

1060. DEA/9533-40

La légation en Pologne
au sous-secrétaire d'État aux Affaires extérieures

Legation in Poland
to Under-Secretary of State for External Affairs

LETTER NO. 352 Warsaw, August 4, 1953

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: Our despatch No. 216 of April 30, 1953.

I am attaching an office translation of another note which we have just received from the Ministry of Foreign Affairs on this subject. I should be glad to know in due course whether and what we should reply to this note.

A.F. HART

[PIÈCE JOINTE/ENCLOSURE]

Le ministère des Affaires étrangères de Pologne
à la légation en Pologne [Traduction]

Ministry of Foreign Affairs of Poland
to Legation in Poland [Translation]

NOTE NO. D.III.AP.23282/28/53 Warsaw, July 29, 1953

The Ministry of Foreign Affairs presents its compliments to the Canadian Legation in Warsaw and with reference to the Legation's Note No.48 of April 30th, 1953, concerning the verification of Canadian customs charges on Polish goods exported to Canada, has the honour to advise the following:

It is stated in the Canadian note that "the character of the valuation procedure which the Canadian Government was obliged to apply has been misunderstood" (misinterpreted) and that "there is no desire or intention of applying adverse differential treatment on goods from Poland but only to ensure uniform procedure, in accordance with the principles of customs valuation, which is applied to goods imported from all the countries." It is further stated in the note: "It should be stressed that this part of the Canadian Customs Law is to safeguard the fairly valued Polish imports in the Canadian market against competing imports from other countries which might be entered at unverified low values."

From the foregoing it might follow that the Canadian Government is defending the endangered Polish interests in its territory.

So far, however, practice shows that entirely different methods have been applied than those referred to in the Legation's note of April 30th, 1953. A simple calculation indicates that this practice makes impossible the imports of properly evaluated Polish goods into the Canadian market.

It is enough to quote as an example the calculation of charges to be paid on goods purchased by the firm Douglas & Co., Montreal:

Christmas Tree Toys, price		$43.18[90]
(1) Allegedly "higher quality" charge arbitrarily established by customs authorities:	$21.27	
(2) 17.5% customs charge on the arbitrarily established value of $64.-	$11.20	
(3) Customs charge on packing	$ 0.23	
(4) 10% sales tax, calculated on the arbitrarily established "value" of $64.- and on the charges as in (2) and (3), i.e. on a total of $78.43	$ 7.84	
TOTAL CUSTOMS CHARGES	$40.54	
TOTAL COSTS FOR IMPORTER		$83.72

(Calculated according to "Customs Canada, Entry for Home Consumption" Entry 22530).

As a result of the arbitrary evaluation of goods by the Canadian Customs authorities, the importer has paid nearly the double of the initial price.

It should be stressed that, before the discriminatory customs regulations were introduced, an importer paid for the same goods $13.13 of customs charges or about three times less than he pays now.

Canadian clients withdraw now their orders for Polish goods as prohibitively expensive in comparison with identical goods coming from other countries which are not encumbered by any such charges.

This is clear evidence to the fact that the prices quoted by Polish exporters are world-market prices[91] and that the customs charges imposed by Canadian authorities make the sale of Polish goods in Canada impossible.

In this connection, the Ministry of Foreign Affairs adheres fully to the statement in its note of April[92] 20th, 1953 and stresses that the action taken by the Canadian Government is meant to stop entirely Polish exports to Canada and is an obvious act of economic discrimination.

In accordance with the note of January 20th, 1953, the Ministry of Foreign Affairs renews its request for a revision of the Canadian Government's attitude towards Polish imports and for the abrogation of discriminatory customs regulations, stating once again that Polish exporters are prepared to supply any information necessary to justify the prices in their offers.

[90] Note marginale:/Marginal note:
This is the dumping duty — 50%

[91] Note marginale:/Marginal note:
?

[92] Note marginale:/Marginal note:
January?

1061. DEA/9533-40

Le sous-secrétaire d'État aux Affaires extérieures
à la légation en Pologne

Under-Secretary of State for External Affairs
to Legation in Poland

LETTER NO. E-310 Ottawa, September 18, 1953

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: Your letter No. 352, August 4.

We have examined carefully the representations made by the Government of Poland in the light of the previous correspondence with them on this subject and can see no justification for their contention "that the action taken by the Canadian Government is meant to stop entirely Polish exports to Canada and is an obvious act of economic discrimination."

2. Under Canadian law, valuation for duty purposes is based on the fairmarket value of the imported goods at which they are sold for home consumption in the country of export in the usual course of trade under fully competitive conditions in like quantities. The law imposes responsibility for the ascertainment of such value in respect to imports from all countries. Where such value cannot be ascertained for some reason, such as goods not being sold to the domestic trade, being produced solely for export, the law requires valuation for duty purposes at the cost of production in the country of export plus a reasonable addition for administration, selling cost and profit. The facts regarding home market selling prices, or cost of production, must be ascertained, as no provision is made in the law for acceptance of export prices in default of value determination under the legal requirements.

3. The facts necessary for value determination are only available in the country of export, and verification as such can only be undertaken there. Where any doubt exists as to the authenticity of certified invoice values, those charged with the responsibility of values determination have no authority to waive full verification. First-hand examination of exporters' records are conducted and facilitated in the United Kingdom, the United States and other countries, as occasion arises, and fair values in accordance with the facts as ascertained are determined. Cases do arise where exporters decline to make their records available, which necessitates appraisal at values sufficient to ensure compliance with the legal requirements. While the Department is loathe to resort to arbitrary valuations from failure of co-operation by exporters, such action is imperative, and nothing can be done to mitigate the effects accruing due to such failure. Assurance of full compliance with the law must obtain in respect to imports from all countries, and waiving this requirement in respect to one country could not be justified to other countries exporting competitively to Canada.

4. In respect to the importation referred to, Montreal Entry C-22530, examination shows the invoice value to have been advanced fifty per cent with duties and

sales tax collected on that basis. As Christmas tree ornaments are of a class or kind produced in Canada, special duty applied to the extent of the difference between the invoice value so advanced and the selling price to the importer in Canada.

5. It may be pointed out that these articles produced in Canada are also subject to the sales tax.

A.E. RITCHIE
for Acting Under-Secretary of State
for External Affairs

1062. DEA/9533-40

Le chargé d'affaires en Pologne
au secrétaire d'État aux Affaires extérieures

Chargé d'Affaires in Poland
to Secretary of State for External Affairs

TELEGRAM 66 Warsaw, October 2, 1953

RESTRICTED

VERIFICATION VALUES

Reference: Your letter No. E-310 of September 18th.

Presumably you want us to send Foreign Ministry note based on your letter. Please confirm.

1063. DEA/9533-40

Le secrétaire d'État aux Affaires extérieures
au chargé d'affaires en Pologne

Secretary of State for External Affairs
to Chargé d'Affaires in Poland

TELEGRAM 89 Ottawa, October 6, 1953

RESTRICTED

VERIFICATION VALUES

Reference: Your No. 66 of Oct. 2.

Our Letter E-310 of September 18 is intended as basis for reply to Foreign Ministry's note of July 29, 1953.

1064. DEA/9533-40

La légation en Pologne
au sous-secrétaire d'État aux Affaires extérieures

Legation in Poland
to Under-Secretary of State for External Affairs

LETTER NO. 564 Warsaw, November 30, 1953

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: Your telegram No. 89, Oct. 6, 1953.

I attach the text of the translation of Polish Note No. 23282/41/53 of November 27th. For reference purposes I attach the text of our Note No. 111 of October 9th† to which the Polish note is a reply.

T. LEM. CARTER

[PIÈCE JOINTE/ENCLOSURE]

Le ministère des Affaires étrangères de Pologne
à la légation en Pologne [Traduction]

Ministry of Foreign Affairs of Poland
to Legation in Poland [Translation]

NOTE NO. D.III.23282/41/53 Warsaw, November 27, 1953

The Ministry of Foreign Affairs presents its compliments to the Canadian Legation in Warsaw and, acknowledging receipt of Note No. 111 of October 9th, 1953 concerning Canadian Customs charges on Polish exports to Canada, has the honour to state the following:

The Canadian note endeavours once again to prove that the Polish authorities misinterpret the procedure of verification of customs charges which the Canadian Government has applied to exports from Poland.

However, the Canadian note does not quote any concrete facts nor does it contain any real case which would justify the procedure of the Canadian authorities in respect to Polish exports.

The Canadian Government states in its note that the Canadian authorities are loath to resort to arbitrary valuations of imports and apply them only in case of failure by exporters to cooperate with the Canadian Customs authorities.

In this connection the Polish Government wishes to remind that in its note of July 29th, 1953, the Ministry of Foreign Affairs has stated that "Polish exporters are prepared to give all information necessary to explain the establishment of the offered price". Such a standpoint should entirely satisfy the requirements of the Canadian Customs law and should eliminate the charging of Polish exports with arbitrarily fixed duties.

In addition, the Canadian note attempts to justify the discriminatory regulations on behalf of countries exporting competitively to Canada. These regulations tend to

lead in reality to the completely contrary result of making free international exchange impossible by imposing on Polish exports high duties of a prohibitive character.

The Ministry of Foreign Affairs maintains in their entirety the assertions contained in its notes of January 20th and July 29th, 1953, and hopes that the Canadian authorities will revise their attitude to Polish exports.

1065. DEA/9533-40

Le sous-secrétaire d'État aux Affaires extérieures à la légation en Pologne

Under-Secretary of State for External Affairs to Legation in Poland

LETTER NO. E-16 Ottawa, January 12, 1954

CONFIDENTIAL

VERIFICATION OF VALUES FOR DUTY PURPOSES

Reference: Your letter No. 564 of November 30, 1953.

The reply of the Ministry of Foreign Affairs to your note of July 29[93] is being studied by the Government depart[ment]s concerned. As you probably are aware, the problem involved in the Polish case is similar in many respects to the problem which we have with Czechoslovakia.

2. At the moment we are considering the possibility of holding consultations with Czech officials to discuss the trade (and possibly the financial) problems of concern to our two countries. In the circumstances, it seems unlikely that we will be prepared to make any substantive reply to the last Polish note pending careful study here of the line which we will pursue in any discussions with Czech officials on the question of verification of value for duty purposes and we suggest that, if you have not already done so, it might be appropriate to send an acknowledgment to the Polish Ministry of Foreign Affairs.

A.E. RITCHIE
for Acting Under-Secretary of State
for External Affairs

---

[93] La date exacte est le 9 octobre 1953.
The correct date is October 9, 1953.

CHAPITRE XI/CHAPTER XI

EXTRÊME-ORIENT
FAR EAST

PREMIÈRE PARTIE/PART 1

SITUATION EN INDOCHINE
SITUATION IN INDOCHINA

1066. **DEA/50296-40**

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

SECRET Ottawa, May 1, 1953

SITUATION IN INDOCHINA

Background

A military stalemate, deteriorating in favour of Vietminh has prevailed in Indochina for some time. The situation has become serious and recently the United Kingdom, the United States, and Australia began to step up their military aid to the French in the form of aircraft and supplies. As a result of France's lack of military success though, they have become increasingly critical of French strategy and tactics in Indochina.

2. For a considerable time, moreover, the French have sought to share the burden of the conflict and have met with some success in this connection at NATO, Canberra, and Washington, where the Indochinese war is becoming viewed more and more as a part of the West's struggle against Communism. The French have also tried to link the war with a settlement in Korea. On March 28th, a press release issued by the State Department summarizing recent talks with French Ministers stated that the "prosecution of operations in Indochina and Korea cannot successfully be carried out without full recognition of their inter-dependence." (It might be pointed out, however, that the United Kingdom has made serious reservations about this.)

Recent Developments

3. Early in April, the Franco-Vietnamese military position was further weakened by Vietminh's invasion of the Kingdom of Laos. Vietminh forces are now reported within 20 miles of Luang Prabang, the Laotian capital, and latest information has it that the French — outnumbered by more than two to one — will not be able to hold the city owing to lack of reserves. They cannot use Vietnam troops in Laos, be-

cause of local enmities, and their only reinforcements are their French African and Foreign Legion units.

4. On April 13th, the King of Laos appealed through radio and press to the nations of the free world urging formal condemnation, presumably by the United Nations, of the Vietminh invasion. The French, who control Laotian foreign affairs, did not take too kindly to this move, since they prefer to consider the war in Indochina as an internal struggle within the French Union. However, our Embassy in Washington reports that when Mr. Dulles was in Paris for the recent NATO meeting he expressed himself to French Ministers as being in favour of referring the invasion of Laos to the Security Council, but not to the General Assembly, for the moral advantages of having the aggression stigmatized and in order to embarrass Russia vis-à-vis China should Russia be unable to veto a resolution condemning Vietminh aggression. The French were said to have maintained their previous attitude of reluctance to bring the problem to the United Nations, but to have told him that they would re-examine the possibility of doing so. We are asking our Washington Embassy to investigate this matter further.

5. On April 22nd, the French Embassy sent us formal notes on behalf of the Laotian and French Governments, officially advising that Laos has been invaded. Non-committal formal acknowledgements were sent in reply, but we have asked our missions in Paris, London, New York, and Washington for more information concerning the significance behind the French notes.

Communist intentions

6. It is still too early to assess Vietminh intentions. Their recent announcements about setting up a free Laotian Government and a "Thai homeland" are important political moves which have serious implications going beyond the borders of Indochina. Apparently the Vietminh already have a Laotian princeling in reserve as a puppet for their free Laotian Government.

7. It is doubtful whether the Vietminh invasion of Laos was undertaken without consulting the Chinese. We have no information on this, but if the invasion has the blessing of the Chinese, the implications go clearly beyond Indochina. On the other hand, Vietminh may have begun its campaign strictly on its own without the cognizance of either Peking or Moscow.

8. The situation is still very fluid. Events are moving swiftly and as fresh information comes in, new reports will be prepared.

9. Attached are copies of the three telegrams on Indochina which have come in within the last week.†

L.D. W[ILGRESS]

1067. DEA/50052-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Deputy Under-Secretary of State for External Affairs to Secretary of State for External Affairs

TOP SECRET Ottawa, May 6, 1953

SITUATION IN INDOCHINA

The military situation in Indochina has now become critical. The Laotian capital, Luang Prabang, is under siege; Vietminh forces are within a few miles of the Thai border and Laos is nearly split in two. Our Embassy in Paris reports that "the French are now putting their greatest hope to stop the Vietminh advance in the yearly rains which are due to begin soon and that the French Government appears to be overwhelmed by developments in Indochina and willing to study any solution which might help to solve a situation considered by many as catastrophic".

2. The French also appear willing to grant greater internal independence to the Associated States of Indochina as a result of the invasion. The original Franco-Cambodian negotiations on the subject in Paris in February and March of this year broke down. Subsequently, King Norodom Sihanouk of Cambodia made a statement to the press in New York last April that the Cambodians might rally to the Vietminh if France did not grant greater independence to the Associated States. This frank warning by the pro-French monarch, combined with the embarrassment caused the French Government by the Laotian appeal to the free nations of the world on April 13th (outlined in my memorandum to you of May 1st on this subject), has now brought the French to the point of seriously considering greater Cambodian control over the administration of financial, military, and judicial affairs.

3. Telegrams have arrived from our Missions in London, Paris, and Washington concerning Mr. Dulles' suggestion last week (see the aforesaid memorandum) that the invasion of Laos be referred to the Security Council, but not to the General Assembly. These telegrams (3) are attached.† They indicate a fair amount of agreement among the three Governments about bringing the invasion to the attention of the Security Council, although no firm decision about doing so has as yet been taken by any of them. They also indicate that all three Governments seem, at the time of writing, opposed to referring the matter to the General Assembly. Of the three, the French are of course most hesitant about having the invasion brought before the Security Council for fear of stirring up another anti-colonial debate, although most French cabinet ministers are now reported to be in favour of doing so, with only M. Bidault holding out against it. The British seem willing to go along with Mr. Dulles' suggestion, but would be unquestionably opposed to any move to brand Communist China as an aggressor in Indochina.

4. Foreign Office and State Department arguments now current for bringing the war in Indochina and the invasion of Laos to the attention of the Security Council run along the following lines:

(1) Such a step would probably have a useful effect in bolstering the wavering governments of Southeast Asia. The Thais and Burmese in particular are uneasy about developments in Laos and by the designation last January of Chili in Southern Yunnan as the capital of a semi-autonomous Thai republic in Communist China. For example, the Shan tribes of northern Burma are technically Thais.

An unconfirmed JIC[1] report states that Tiang Sirikhan, a pro-Communist Thai MP, is now in Rangoon trying to organize a Thai Government-in-exile among supporters of the former Thai Prime Minister, Pridi, who is believed to be in China at the present time. It is also said that Tiang has recently visited Luang Prabang, the probable capital of the new "free" Laotian Government.

(2) Reference of the problem to the United Nations might assist the United States administration with Congress in stepping up the flow of arms not only to Indochina but to the whole of Southeast Asia as well.

(3) It might serve as a brake on the Chinese and the Russians, who may not be anxious to have Asian opinion consolidated against them at the present time, (this argument seems to be of doubtful validity); and

(4) By emphasizing the international implications of the war in Indochina, it is hoped that its "colonial war" connotations might be lessened in the eyes of Asian nations.

(5) Thailand might allow military supplies to be shipped through its territory to the French and Laotian defenders if the United Nations so requests.

5. Some of their reasons against such a move are that the British are already overstretched in their defence commitments; tempers might be raised by such a debate and armistice negotiations in Korea thereby prejudiced; it might degenerate into another anti-colonial debate; and it would, in fact, be difficult to keep Communist China out of Council discussions of the subject.

6. What the United States seems to have in mind in its suggestion to have the invasion of Laos studied by the Security Council is the submission of a general resolution condemning the Vietminh aggression and asking member states of the United Nations to assist in repelling it. Such a resolution would of course be vetoed by the Soviet delegate, who would probably argue that the war in Indochina is a civil war in which the United Nations is not competent to interfere. However, the discussion arising out of the submission of such a resolution might bring forth an indication of the type of solution whereby it might be possible to end the conflict.

7. Although we are not directly concerned in the matter, as we are not members of the Security Council, our views may be sought. Largely because there seems to be no other peaceful way of studying and handling the issue effectively at the present time, our opinion is that if reference to the Security Council cannot be avoided, there may be some advantage in having the matter aired in the Security Council and perhaps even in the General Assembly. We think that in the "thrashing out" of the issue which would ensue in either the Security Council or in the General Assem-

[1] Joint Intelligence Committee.

bly,[2] the "colonial" aspects of the war would be so forcibly presented by the delegates from such Asian countries as Pakistan, in the Security Council, as well as Burma, India and Indonesia in the General Assembly, that the United States delegation would be convinced that a resolution which would endeavour to "internationalize" the conflict into a United Nations responsibility would not muster sufficient support. Moreover, such an airing might indicate the outlines of an eventual compromise solution, possibly under United Nations auspices. At the present time, for reasons of national prestige and for strategic considerations, it is difficult for the French to accept a solution other than one achieved primarily by military means.

8. However, we think it would be advisable to support the British in their opposition to any resolution that would single out Communist China as an aggressor in Indochina. Although the Chinese Communists are supplying material and technical aid to the Vietminh, there is no more reason at present for condemning Communist China for aggression in Indochina than there is for condemning the Soviet Union as an aggressor in Korea. Moreover, such a step might well jeopardize the chances for an armistice in Korea and for a general settlement in the Far East.

9. In conclusion we recommend, if you approve, that Canada would have no objection to a discussion of the invasion of Laos and the war in Indochina in either the Security Council or the General Assembly[3] but would be opposed to any resolution which would name Communist China as an aggressor in Indochina.

C.S.A. R[ITCHIE]

1068. DEA/50052-40

Note de la Direction de l'Extrême-Orient pour le sous-secrétaire d'État par intérim aux Affaires extérieures

Memorandum from Far Eastern Division to Acting Under-Secretary of State for External Affairs

SECRET Ottawa, May 7, 1953

DEVELOPMENTS IN INDOCHINA

Attached are two recent telegrams concerning developments in Indochina.† They indicate that: (1) the military situation there may not be quite as serious as

---

[2] Note marginale:/Marginal note:

I think it might be rather dangerous to put this issue into the G[eneral] A[ssembly] at this time. C. R[itchie]

[3] Notes marginales:/Marginal notes:

?

I doubt whether it would be wise to have a general discussion at this time before the S[ecurity] C[ouncil] or the Assembly of the situation in Indochina *but* I can see advantages in acceding to a request from Thailand* that a Peace Observation Group might be sent to the Thailand-Indochina border. L.B. P[earson]

*no longer holds as Thais are not going to refer issue to S[ecurity] C[ouncil] or make any request — for good [mot illisible/word illegible] of the POG [Peace Observation Group]. A.E. B[lanchette] [Blanchette faisait partie de la Direction de l'Extrême-Orient./Blanchette was a member of Far Eastern Division.]

previously reported; (2) the French are definitely opposed to referring the invasion of Laos to the United Nations; (3) the French wish to link the war in Indochina to an armistice in Korea by stressing the indivisibility of peace in the Far East.

2. In this last connection, the French have suggested that the 16 governments which have contributed forces to the United Nations command in Korea should make a declaration expressing solidarity with the French over the invasion of Laos. The preliminary view of the State Department is that such a declaration "would seem to arrogate authority which rests with the United Nations in trying to connect in this way the United Nations action in Korea with the invasion of Laos, which is an issue which is not before the United Nations". Moreover, Mr. Dulles is still said to be strongly in favour of having the invasion of Laos referred to the Security Council.

3. For the reasons expressed in the memorandum on this subject submitted to you yesterday, as well as for those presented below, we still think it would be preferable to have the problem of Indochina referred at least to the Security Council rather than to resort to any of these proposals by the French.

4. An inflexible statement now referring to the indivisibility of peace in the Far East might jeopardize current prospects for an armistice in Korea and for a general Far Eastern settlement. Consideration should perhaps be given to the advantage of tackling one problem at a time in the Far East in the hope that the solution of one problem might ease the tension on others and help in solving them. It is doubtful that all of the 16 governments concerned would support a declaration of this nature. A declaration by the 35 governments which recognize Laos and which are members of the United Nations merely represents an attempt to bypass the United Nations, an organization especially created to deal with such problems. It is also doubtful whether such a declaration would receive the support of all these governments. Such declarations as these would only serve to enhance in Asian eyes the colonial connotations of the conflict in Indochina, as both the 16-nation and 35-nation groups proposed include all the main Western powers and do not include some of the Asian nations most interested in the problem.

5. In view of the very definite French decision to oppose reference of the problem to either the Security Council or the General Assembly, the US may drop its insistence on discussion of the situation in the UN. Despite this, however, we suggest that Canada should continue to express preference for having the problem of the invasion of Laos aired in the Security Council.

6. In conclusion, therefore, we recommend, if you approve: (1) that Canada should oppose both French suggestions concerning 16-government and 35-government declarations of solidarity; and (2) that Canada should not oppose reference of the issue of the invasion of Laos to the United Nations.

C.A. RONNING

1069. DEA/50052-40

Note du sous-secrétaire d'État suppléant aux Affaires extérieures pour la Direction de l'Extrême-Orient

Memorandum from Deputy Under-Secretary of State for External Affairs to Far Eastern Division

SECRET Ottawa, May 8, 1953

DEVELOPMENTS IN INDOCHINA

I have just been reading your attached memorandum of May 7. I am coming round more and more to the view that the only way out in Indochina is by a negotiated settlement with the Indochinese and Chinese Communists, that the French will never win the war there and that the best that their friends can do for them is to try to get them off the hook on which they are writhing. This would require the "internationalizing" of the Indochinese question in one way or another.

2. When it comes to the best method of "internationalizing" the problem of Indochina in search for a settlement I think there is room for discussion. My own first reaction was favourable to submitting the question to the United Nations (the Security Council, not the General Assembly). I am beginning to have some pretty serious doubts now as to whether this would really achieve results. What would come of a submission to the Security Council except an embittered public discussion in which the non-Communist governments represented might be split to the profit of the Communists.[4] I am rather attracted by the suggestion contained in paragraph 3 of WA-1121 of May 6,† put forward by M. Bidault that "it might be better to take up the question of Indochina in relation to discussions for a Far Eastern settlement". This is interesting as it amounts to a French suggestion for "internationalizing" the problem. Only instead of putting it into the Security Council or the General Assembly they would have it dealt with by the Political Conference following on an armistice in Korea. I think this is a better suggestion on several grounds:

(a) it would allow time for private representations to be made in Moscow and Peking which might lead the way to an eventual settlement in the Conference. Such a private negotiation would be more likely to be fruitful than discussion in the Security Council;

(b) Communist China would be represented at the Political Conference and is not represented on the Security Council;

(c) I am impressed by the argument that the injection of this issue into the Security Council at this time might embitter relations with the Soviet Union and Communist China.

---

[4] Note marginale:/Marginal note:
?

3. I quite agree with the arguments in your memorandum against any public statement by the thirty-five or the sixteen governments as suggested by the French.

C.S.A. RITCHIE

1070. DEA/50296-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur aux États-Unis

Secretary of State for External Affairs to Ambassador in United States

TELEGRAM EX-809 Ottawa, May 8, 1953

SECRET. IMMEDIATE.

SITUATION IN INDOCHINA

Reference: Your teletype WA-1121.†

Repeat London No. 775; Permdel No. 215.

Following from the Acting Under-Secretary, Begins: As the military situation in Indochina may not be quite as serious as has previously been indicated, and as the French, as indicated in your telegram under reference, are now definitely opposed to referring the invasion of Laos to the United Nations, I am coming around more and more to the view that the only way out in Indochina is by a negotiated settlement with the Indochinese and Chinese Communists. This would require the "internationalization" of the Indochinese question in one way or another.

2. I am completely opposed to the French proposal for declarations of solidarity by interested governments. An inflexible statement now referring to the indivisibility of peace in the Far East might jeopardize current prospects for an armistice in Korea and for a general Far Eastern settlement. Consideration should perhaps be given to the advantage of tackling one problem at a time in the Far East in the hope that the solution of one problem might ease the tension on others and help in solving them. It is doubtful that all of the 16 governments concerned would support the declaration proposed by the French. A declaration by the 35 governments which recognize Laos and which are members of the United Nations merely represents an attempt to bypass the United Nations, an organization especially created to deal with such problems. It is also doubtful whether such a declaration would receive the support of all these governments. Such declarations as these would only serve to enhance in Asian eyes the colonial connotations of the conflict in Indochina, as both the 16-nation and 35-nation groups proposed include all the main Western powers and do not include some of the Asian nations most interested in the problem.

3. In view of the very definite French decision to oppose reference of the problem to either the Security Council or to the General Assembly, the United States may drop its insistence on discussion of the situation in the Security Council. Reference of the problem to the Security Council would not lead to any constructive proposals

for its solution. However, in view of the French desire to "internationalize" the problem, I think the question could best be aired at a political conference, either in the one envisaged as following an armistice in Korea or in a separate conference.

4. This suggestion might have the following advantages:

a) it would allow time for private representations to be made in Moscow and Peking which could lead the way to an eventual settlement in conference. Such private negotiations would be more likely to be fruitful than discussion in the Security Council;

b) Communist China would be represented at the Political Conference and is not represented on the Security Council;

c) I am impressed by the argument that the injection of this issue into the Security Council at this time might embitter relations with the Soviet Union and Communist China.

5. The countries participating in this proposed conference should, I suggest, be limited to those most concerned with matters in this part of the World.

6. You might wish to obtain the reaction of the Minister to these views, if he is available, before discussing them informally with the State Department.[5] Message ends.

1071. DEA/50052-40

Note de la Direction de l'Extrême-Orient
pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Far Eastern Division
to Under-Secretary of State for External Affairs

SECRET Ottawa, June 19, 1953

(Through UN Division)

INVASION OF LAOS — THAILAND'S APPEAL TO THE SECURITY COUNCIL

On May 8, 1953, the Thai Ambassador to Washington saw Secretary of State Dulles and other senior officials of the State Department to inform them that the Thailand Government had decided to appeal to the United Nations concerning the invasion of Laos. The State Department made it clear that the United States was definitely in favour of Thailand submitting the complaint to the Security Council and would give the Thai Delegation all help and support. The French and the British, however, at that time, were definitely not in favour of Security Council action on this matter. Until May 18, in view of the withdrawal of the Vietminh forces in Laos, the Thailand Government did not press for consideration of its case before the United Nations. We were informed on May 19 that the Bangkok Government had reconsidered its position and had decided to introduce the subject under Article 34 of the United Nations Charter. The Thai Ambassador in Washington explained

[5] Voir les documents 661-662./See Documents 661-2.

that it was not his Government's intention to "condemn anyone", but rather contemplated a Security Council decision to send a committee of the Peace Observation Commission to Thailand. Thailand had hoped to schedule her appeal to the Security Council to coincide with the installation of Mr. Lodge as the President of the Security Council in June.

2. In a telegram to our Permanent Delegation in New York on May 25, 1953,† we stated:

"We are still of the opinion that reference of the problem to either the Security Council or the General Assembly is of doubtful value. However, we cannot influence in any way the question of whether the issue should be dealt with in the Security Council. Nevertheless, if, as the Thai Ambassador suggests in the *New York Times* despatch, the Thailand Government does not intend to 'condemn anyone', but merely wishes to have a Peace Observation Commission appointed under the aegis of the 'Uniting for Peace' resolution, then the question may not prove to be particularly explosive."

3. Despite a report in the *New York Times* of June 3, 1953, that the Prime Minister of Thailand was still determined to introduce his resolution in the United Nations, no move in this direction has yet been taken. On June 4, our Embassy in Washington learned from the British Embassy that Secretary of State Dulles had summoned the Thai Ambassador on June 1 to advise him that, in the United States' view, it would be advisable for Thailand to avoid taking action in the United Nations on the grounds that it would be unwise for this to be done when there was no French Government in being which could be consulted. Thailand, as a matter of courtesy, agreed to await the formation of a French Government but, prodded by the United States, still intends to take action shortly thereafter. Mr. Hoppenot, the French Delegate to the United Nations, spoke rather bitterly to our Delegation in New York about Mr. Dulles' insistence that this matter must be brought before the Security Council. He said that, prior to Mr. Dulles' return from the Middle East, the French Embassy had convinced the State Department that this appeal should be dropped and that only a letter should be sent to the Security Council members. We had been apprised earlier that Mr. Dulles' adamant attitude on this issue was based upon his belief that the United Nations was "the town meeting of the world" where such international issues as the invasion of Laos could be brought before the bar of world public opinion.

4. In telegram No. 1154 of June 12, 1953, a copy of which is attached,† our High Commissioner in London reported that Selwyn Lloyd, in his review of affairs in Southeast Asia at the meeting of the Commonwealth Prime Ministers, "saw advantage in the United Nations accepting responsibility for the Siamese frontiers". On June 3, Sir Gladwyn Jebb informed the Thai Ambassador in Washington that the United Kingdom Government favoured in principle an approach to the Security Council, but also favoured delay because of the truce negotiations in Korea. An officer from the Australian High Commission in Ottawa has shown us an Australian Department of External Affairs telegram which indicates that they regard the Thailand appeal as not altogether disadvantageous for the following reasons:

(1) The Thai appeal is only aimed at the establishment of United Nations observation machinery to meet any emergency on the Thai border;

(2) Since the Thai appeal would be based on the existence of a threat to Thailand, the danger of anti-colonial attacks on France would be lessened;

(3) A limited reference of this nature would tend to focus the attention of the countries in Southeast Asia to the dangers of Communist encroachment rather than to the French "colonial" policy in Indochina;

(4) The presence of an international body in Thailand might establish the *fact* of aggression against Thailand.

Thus, the United States, the United Kingdom, and Australia are now united in their opinion that the Thai appeal, which is only aimed at publicizing the Communist threat to Thailand, should not be discouraged, although, for different reasons, they believe that the discussion of this issue should be temporarily postponed.

5. The whole question of French policy in Indochina has again come into prominence by the press report from Saigon on June 14 that King Norodom Sihanouk of Cambodia has fled into self-exposed [sic] exile to Thailand. He has stated that he will not return until such time as France extends the provisions of the Pau Agreements of 1949 into full independence. On June 16, the *New York Times*, in a despatch from Bangkok, reported that King Norodom Sihanouk, who exiled himself from Cambodia to dramatize his country's demand for full independence from France, declared through an official spokesman here today that he would ask Thailand to raise the question of Cambodian independence in the United Nations. To date, however, Thailand's Delegate in New York has not yet received any instructions from Bangkok for a United Nations debate on Cambodian independence demands.

6. You will note from the attached telegram No. 1154 from London† that Tahourdin, head of the Southeast Asian Department of the Foreign Office, has asked our High Commissioner in the United Kingdom what our present views are on the proposed Thai appeal. I attach, for your signature and approval, subject to the concurrence of UN Division,[6] a telegram to our Permanent Delegation in New York[7] (repeated to Washington and London) which summarizes our latest thinking on the Thailand appeal to the Security Council regarding the invasion of Laos.[8]

C.A. RONNING

---

[6] Note marginale:/Marginal note:
concur — UN [United Nations] Division — G.B. Summers

[7] Le document suivant./The following document.

[8] Note marginale:/Marginal note:
approved W[ilgress]

1072. DEA/50052-40

Le secrétaire d'État aux Affaires extérieures au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs to Permanent Representative to the United Nations

TELEGRAM 338 Ottawa, June 23, 1953

SECRET. IMPORTANT.

INVASION OF LAOS — THAILAND'S APPEAL TO THE SECURITY COUNCIL

Reference: Our teletype No. 255 of May 25 (repeated to Washington as EX-926),† WA-1349 of June 3,† No. 309 of June 8 from Permdel,† and No. 1154 of June 12 from London.†

Repeat Washington No. EX-1124; London No. 1094.

Following from the Under-Secretary, Begins: We note from your telegrams under reference that the United States and the United Kingdom, with certain reservations, favour in principle a Thai appeal to the Security Council concerning the invasion of Laos. We have also ascertained that the Australian Government feels that an appeal to the United Nations of the kind contemplated by Thailand might not be altogether disadvantageous.

2. As mentioned in teletype EX-255, it is still our opinion that Canada should not try to influence in any way the question of the reference of the issue to the Security Council, since we are not represented on that body. Canadian policy toward Indochina has been consistent with our cautious approach to Southeast Asian problems generally, as reflected in our attitude towards a Pacific Pact, our non-participation in recent discussions for closer military cooperation in Southeast Asia, our limited diplomatic representation in the area and, in contrast to Australia, the United Kingdom and the United States, our delayed recognition of the Associated States of Indochina under the terms of the Pau Agreements.

3. As for the specific question of Thailand's appeal to the Security Council, we believe that Thailand's objective of securing the appointment of a Peace Observation Commission to examine the situation on the Thai border is the least objectionable of all the proposals so far advanced. There may even be some benefit in this suggestion as Peace Observation groups have rendered notable services in other areas in the past. Since the appeal would be based on the existence of a threat to Thailand, the danger of anti-colonial attacks on France would be lessened. If other nations more directly concerned with this problem (e.g., the United Kingdom, the United States and Australia) are in favour of the Thai appeal to the Security Council, we would raise no objections, it being understood, of course, that the Thai appeal will not associate Communist China with the aggression in Laos. We would hope that the appeal will be delayed until (a) a new government is formed in France and (b) an armistice in Korea has been concluded.

4. If the Thai appeal is referred to a reconvened session of the General Assembly, under the Charter and in accordance with the consistent Canadian position concern-

ing the functions of the Assembly, there would seem to be no reason why Canada should oppose the inclusion of the item on the agenda. On the other hand, we would prefer that the reconvened session of the Assembly had no other business to discuss than the Korean armistice and the subsequent political conference. An extraneous debate on the Thailand appeal could conceivably serve to impede a Korean settlement. Ends.

1073. DEA/50052-40

L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures

Ambassador in United States
to Secretary of State for External Affairs

TELEGRAM WA-1586 Washington, June 26, 1953

CONFIDENTIAL

THAILAND'S APPEAL TO THE UNITED NATIONS

Reference: EX-1124 of June 23.
Repeat Permdel No. 251.

State Department officials began to express wariness of the projected Thailand appeal, when it was learned through the United States Embassy in Bangkok that the King of Cambodia was suggesting to the authorities there that the Thailand Government should present to the United Nations his complaints against the French. The King has now returned to Cambodia and it is not expected that the Thai Government will jeopardize its chances of support by agreeing to the King's request.

2. We learn from the State Department that the Thai Ambassador saw Mr. Dulles early this week to ascertain the Secretary's present view on the timing of Thailand's appeal. Mr. Dulles counselled further postponement, saying that the United States would not be in a position to give Thailand full support until after the Bermuda conference.

1074. DEA/50052-40

Le représentant permanent auprès des Nations Unies au secrétaire d'État aux Affaires extérieures

Permanent Representative to the United Nations to Secretary of State for External Affairs

TELEGRAM 384 New York, June 30, 1953

CONFIDENTIAL

THAILAND'S APPEAL TO THE UNITED NATIONS

Reference: Washington telegram WA-1586 of June 26.
Repeat Washington No. 261.

1. I asked Khoman[9] of Thailand this afternoon what the present position was with regard to Thailand's projected appeal to the Security Council. Khoman said that whereas the situation had been sufficiently complicated before, it was now even more complicated because of the recent activities of the King of Cambodia. He told me that his government was making another review of the situation in the light of this new development and that he did not know what the outcome would be.

2. Khoman added that Thailand, though in favour of the independence of colonial peoples, did not approve the "forceful measures" employed by the King of Cambodia. Thailand believed that matters of this kind should be settled by negotiation.

1075. DEA/50052-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs to High Commissioner in United Kingdom

DESPATCH Y-1168 Ottawa, August 5, 1953

CONFIDENTIAL

INDOCHINA

Attached is a copy of a memorandum on Indochina prepared for the Minister on July 28th. It is self-explanatory.

---

[9] Thanat Khoman, ministre-conseiller, délégation permanente de la Thaïlande auprès des Nations Unies; représentant, septième session de l'Assemblée générale.
Thanat Khoman, Minister-Counsellor, Permanent Delegation of Thailand to United Nations; Representative, Seventh Session of General Assembly of United Nations.

As the Minister concurs in the policy proposed therein, I should be grateful if you would bring our views on this subject to the attention of the appropriate authorities in London.

C.A. RONNING
for the Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Note du sous-secrétaire d'État aux Affaires extérieures pour le secrétaire d'État aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs to Secretary of State for External Affairs

CONFIDENTIAL Ottawa, July 28, 1953

INDOCHINA

Through Canada House in London, the Foreign Office has brought to our attention its latest views on: (1) Indochina; and (2) on Thailand's proposed appeal to the Security Council over the invasion of Laos.

(1) *Indochina*

The Foreign Office is uneasy about the military and political aspects of the war in Indochina, both of which it considers to be bad. It reasons that both phases of the struggle are now inseparable and that, unless something very much like Commonwealth status is granted to the Associated States soon, heavy defections to the Vietminh will continue. As a result, France's military position in Indochina is likely to go from bad to worse as soon as the Vietminh launches a new attack.

The Vietminh are reported to be preparing a large-scale offensive for next fall after the monsoon rains. The flow of supplies from Communist China to the Vietminh is now said by the Australians and British in Saigon to be as high as 3,000 tons per month, as against a monthly total of about 500 tons earlier this year. The French too are thinking of an offensive of their own, the so-called "Navarre Plan" now under study in Paris, which calls for an additional 20,000 men and an expenditure of $285,000,000 in Indochina, but both the Australians and the British doubt whether, without full independence to spur the Vietnamese on in the struggle, the French can meet the coming Vietminh offensive successfully.

The French Government is still pondering the issue of independence for Indochina, with some members of the cabinet (President Auriol and M. Bidault, for instance) favouring maintenance of the status quo and no changes in the structure of the French Union; with others (M. Reynaud)[10] urging full Commonwealth status for Indochina.

---

[10] Paul Reynaud, membre de l'Assemblée commune de la Communauté européenne du charbon et de l'acier; membre de l'Assemblée nationale de France et président de la Commission des finances.
Paul Reynaud, Member of Common Assembly of European Coal and Steel Community; Deputy in National Assembly of France and President, Committee on Finances.

The recent Foreign Ministers' meetings in Washington shed very little light on current French policy on the subject and the ambiguity of their paragraph on Indochina in their communiqué indicates that the French cabinet is still split on the issue. It is possible that, in line with M. Laniel's[11] statement of July 3, a transfer of some powers to the Associated States will occur (for instance, in the fields of justice and finance, where the French still retain some control) although foreign and military affairs will continue to remain in French hands. This is hardly Commonwealth status and it is obvious that the Associated States themselves have little freedom of choice in the matter. It thus seems likely that the political status quo will remain pretty much unchanged in Indochina during the coming months and that France's hedging about full independence now will have the effect of further weakening her military position there next fall.

(2) *Thailand's appeal to the Security Council*

Owing to the serious implications of such a prospect for Southeast Asia, the Foreign Office now favours a Siamese approach to the Security Council about the invasion of Laos and the appointment of a Peace Observation Commission to investigate Thailand's northeastern frontier. The Foreign Office bases its decision on the following: (1) the coming Vietminh offensive is being substantially abetted by refugees from Indochina (some 60,000) now living in Thailand along the Laotian border; (2) that unbiased information would be helpful to the UN; (3) that increased Vietminh political and military successes would have serious repercussions in the whole area; and (4) that an appeal to the Security Council and a visit by a UN Peace Observation Commission, preferably before the expected Vietminh offensive, would do much to strengthen the Thai Government's will to resist.

These seem to be good arguments in favour of an appeal to the Security Council and the appointment of a peace observation commission. They are substantially the views of Australia and the United States, as well. Moreover we think that if the Vietminh is successful in driving the French out of Laos next fall and in pushing them back elsewhere, the UN might be caught unprepared for a sudden appeal from Thailand for quick action to meet the emergency. Knowledge of the presence nearby of a UN Peace Observation Commission might also act as a deterrent on the Vietminh and perhaps to an even greater extent on Peking, especially if the Political Conference on Korea is in progress.

We are therefore wondering if the time has not now come for us to be more specific in our own policy on the subject. Until now, our stand has been somewhat lukewarm, in that so far we have been willing only to "raise no objections" to an appeal to the Security Council. I would suggest that we now make known that we are in favour of the Siamese proposal, on the understanding of course that any appeal to the Security Council would be made only after an armistice in Korea; that it

---

[11] Joseph Laniel, président du Conseil des ministres de France, (à partir du 28 juin).
Joseph Laniel, Prime Minister of France (28 June-).

would contain no mention of Communist China; and that it would limit itself to requesting that an investigation be held. Do you agree?[12]

L.D. W[ILGRESS]

1076. DEA/50052-40

Le haut-commissaire au Royaume-Uni au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom to Secretary of State for External Affairs

TELEGRAM 1401 London, August 10, 1953

CONFIDENTIAL

THAILAND'S APPEAL TO THE SECURITY COUNCIL

Reference: Your despatch No. Y.1168 of August 5.

Before passing on to the Foreign Office the views contained in the memorandum of July 28 enclosed with your despatch, I should be grateful if you would clarify the last clause of the penultimate sentence. Do you mean that you would have no objection to the Thailand appeal requesting the appointment of an observation commission?

2. I assume from the memorandum that the arguments in favour of an appeal have now over-ridden the objections contained in paragraph 4 of your telegram No. 1094 of 23 June, to the effect that you would prefer that the reconvened session of the Assembly had no other business to discuss than the Korean armistice and the political conference.

---

[12] Note marginale:/Marginal note:
I agree L.B. P[earson]

1077. DEA/50052-40

Le secrétaire d'État aux Affaires extérieures au haut-commissaire au Royaume-Uni

Secretary of State for External Affairs to High Commissioner in United Kingdom

TELEGRAM 1331 Ottawa, August 12, 1953

CONFIDENTIAL

THAILAND'S APPEAL TO THE SECURITY COUNCIL

Reference: Your telegram No. 1401 of August 10.

As stated in the penultimate paragraph of the memorandum in question, we have no objection to the Thailand appeal requesting the appointment of an observation commission.

2. The memorandum's arguments in favour of the Thailand appeal should not (repeat not) be taken to mean that the objections contained in paragraph 4 of my telegram No. 1094 of June 23 have been over-ridden. We still prefer that the reconvened session of the Assembly should have no other business to discuss than the Korean armistice and the political conference. As the proposed Thai appeal would be addressed to the Security Council, we see no reason why the reconvened session should be called upon to discuss this matter.

1078. DEA/50052-40

Le haut-commissaire au Royaume-Uni au secrétaire d'État aux Affaires extérieures

High Commissioner in United Kingdom to Secretary of State for External Affairs

TELEGRAM 1445 London, August 19, 1953

CONFIDENTIAL

THAILAND'S APPEAL TO THE SECURITY COUNCIL

Reference: Your despatch Y.1168 of August 5.

We have now passed on the views contained in the memorandum attached to your despatch to Tahourdin, of the South East Asia Department. Tahourdin was pleased to have these views and was glad to know that we had reached a position substantially the same as the United Kingdom.

2. Tahourdin said that the appeal was for the moment on the shelf, and he had heard nothing recently from the Siamese to suggest that they intended to lodge the appeal in the near future. Prince Wan is, however, on his way to New York and it may be that he will discuss the question with friendly delegations on his arrival. Tahourdin's opinion, however, is that it would be rather difficult for Thailand to

make the appeal in the immediate future as the situation in Indo-China is ostensibly quiet. It might be, therefore, that no appeal would be made until Viet Minh open a new offensive in the fall.

3. Meanwhile the situation was somewhat confused by the expressed French desire to have Indo-China discussed at the Political Conference on Korea, and also by the slowness of the French in starting political discussions with the Associated States. These are not scheduled to begin until September, and on this time-table it is hard to see how a satisfactory political settlement could be reached in time for the results, if satisfactory to the Associated States, to have their full impact on the public, and thus to gain their full support in meeting a new Viet Minh offensive. Although the French have, as you know, adopted in large measure the Navarre plan, no action has yet been taken on it, and so far as Tahourdin knows there has been no preliminary move to despatch the additional troops from France requested by Navarre. He thought it a pity that the French Government had not been able to move quicker, and now that they were faced with an internal crisis he doubted whether any decisive action could be taken by them in the near future. If the present French Government fell he doubted whether any successor government would be prepared to take the difficult decision which the present government had taken, at least in principle, to support fully the Indo-Chinese war, and to come to a satisfactory political settlement with the Associated States.

1079. DEA/50052-40

Extrait d'une note de la Direction de l'Extrême-Orient

Extract from Memorandum by Far Eastern Division

CONFIDENTIAL Ottawa, November 16, 1953

CANADA'S POLICY ON INDOCHINA

In looking over our files, I have not found any one study which carries succinctly our approach to the war in Indochina. I have therefore thought that it might be useful at this time to summarize in one document the various aspects of Canadian policy on Indochina.

Our approach to Indochina has so far been governed by our policy on the Far East in general and on Southeast Asia in particular. Historically, Southeast Asia has not been an area of much interest to Canada; commercially, our relationship has been rather barren; and, politically, our connections are still embryonic. In the circumstances, our approach to the whole area and, especially to Indochina, has been somewhat distant and reserved.

Against this broad background, current Canadian policy on Indochina can be presented under the three following headings: 1. Military aid; 2. Technical assistance and trade; and 3. Political approach.

1. *Military Aid*

In its military phases, Canada's policy on Indochina although reserved, is sharply defined. No military commitments and no direct military aid of any sort

have been sanctioned by the Government. Modest sales of military equipment, e.g. radios, aircraft, military vehicles, and spare parts, et cetera, to the French army's procurement agency in Saigon by private Canadian firms have been allowed provided that clearance from this Department has been obtained.

On the other hand, however, France receives substantial Mutual Aid from Canada under NATO auspices. About $32,500,000 worth of such Aid has reached her since 1950, some of which has no doubt gone to Indochina, either directly from Canada or mostly indirectly from France (in that Canadian Mutual Aid may have allowed her to release corresponding amounts of arms and equipment at home for use in Indochina). Since Canada exercises no control over and undertakes no inspection of the uses to which its Mutual Aid is put once it has left Canadian shores, it is difficult to say what, if any, Canadian Mutual Aid to France may reach Indochina, but it is to be presumed that some does. Nevertheless, the Canadian Government does not sanction the diversion of its Mutual Aid to Indochina and all requests made by France over the last three years that she be authorized to divert to Indochina Mutual Aid allocated to her by Canada under NATO have been turned down by the Government in the light of assurances given by the Government to Parliament that Canada would not be concerned with the overseas dependencies of European powers as a result of the North Atlantic Treaty.

2. *Technical Assistance and Trade*

On both these counts, Canada's policy is also clear-cut. Both Vietnam and Cambodia are members of the Colombo Plan's Consultative Committee on Technical Assistance and we are prepared to view sympathetically any requests which the three Associated States may submit for such assistance, although few in fact have been received. In considering such requests here, the French Government will be kept informed of any action being contemplated to meet them, presumably through the French Embassy in Ottawa.[13]

Insofar as any trade is possible with Indochina at the present time, there are no official objections to Canadians doing business with the Associated States in non-strategic goods (and in strategic goods when approved by this Department). However, the actual volume of Canadian trade involved is insignificant in terms of Canada's total foreign commerce, for instance, for the six-month period ending in June of this year, our imports from the French East Indies[14] came to less than $1,000; while our exports during the same period amounted to $257,000 (mostly spare parts and equipment) to the Direction du Matériel des Forces Armées en Extrême-Orient in Saigon.

[13] L'annotation suivante a été dactylographiée sur notre copie du document:
The following was typed on this copy of the document:

> The procedure for keeping the French Government advised of such requests is now being worked out. At this stage of the Economic Division's thinking on the subject, the French Government would be informed of developments by letter through the French Embassy here.

[14] L'annotation suivante a été dactylographiée sur notre copie du document:
The following was typed on this copy of the document:

> In DBS [Dominion Bureau of Statistics] parlance, (whence these statistics come) the French East Indies embrace the three Associated States and the French comptoirs in India.

3. *Political Approach*

Politically, our approach to Indochina has been wary and aloof. We long hesitated, for instance, in recognizing the independence of the Associated States, but in qualified terms we finally did so, however, more in order to please France than to herald the newly granted "independence". We are now willing to support reference of the war in Indochina to the Security Council (but not to the General Assembly) in the hope that ensuing discussions would indicate a solution to the problem, but we have agreed to support a move, if made, only on the understanding that an appeal to the Security Council in this connection would contain no mention of Communist China. We are also ready to support the creation of a United Nations Peace Observation Commission to investigate the situation along the border of Laos and Thailand, provided that it too would not involve Communist China in its surveys and that it should limit itself to making an investigation only. Both aspects of this policy stem from Thailand's abortive proposal last spring to bring the Vietminh invasion of Laos to the attention of the Security Council.[15] As, however, the Vietminh has to a great extent withdrawn its forces from Laos and as no further invasion of Laos has since taken place, no Siamese appeal to the Security Council has been made and presumably none will be made, unless the situation in Indochina worsens.

Conclusion:

As the political and military situation in Indochina, whence these aspects of Canadian policy spring, is still roughly the same, no changes in our approach would seem to be warranted at the present time. However, should the situation deteriorate rapidly in Indochina during the new campaign season and, especially, if France should face the prospect of a complete debacle there or if some successor to the Laniel Government — under pressure of developments both at home and overseas — have to undertake a negotiated settlement there, it would be necessary to reconsider Canada's policy on Indochina, in the light of the serious strategic implications which such developments would have not only for Indochina itself, but especially for the rest of Southeast Asia.

ARTHUR BLANCHETTE
per R.B. E[dmonds]

---

[15] L'annotation suivante a été dactylographiée sur notre copie du document:
The following was typed on this copy of the document:
The Division's policy memorandum of July 22, which received the Minister's approval on July 28, covers this matter more fully. (File 50052-40).
Voir le document 1075 et la pièce jointe.
See document 1075, enclosure.

2e PARTIE/PART 2

RELATIONS AVEC LE JAPON
RELATIONS WITH JAPAN

SECTION A

SECOURS AUX SINISTRÉS DES INONDATIONS
FLOOD RELIEF

1080. PCO

Note du secrétaire d'État par intérim aux Affaires extérieures pour le Cabinet

Memorandum from Acting Secretary of State for External Affairs to Cabinet

SECRET Ottawa, August 4, 1953

FLOOD RELIEF FOR JAPAN

In the past few months Japan has experienced two disastrous floods, the first in the southern island of Kyushu in which 1,000 persons were reported dead or missing, 4,000 injured and something like 20,000 dwellings washed away or partially destroyed. The second flood, in mid July, affected the southeastern section of the main island of Japan including the metropolitan districts of Osaka and Mie. This disaster is apparently more serious than that in Kyushu and in all some 65,000 individuals are said to have been affected, either by death, injury, or inundation of accommodation.

2. The Japanese Government and national and international relief agencies have been providing relief in Kyushu and a very substantial physical contribution has been made by United States forces in Japan. The Canadian Red Cross has made $20,000 in Canadian funds available to the Japanese Red Cross. British Commonwealth Forces in Korea have released certain supplies suitable for disaster relief. Mr. Mayhew, the Canadian Ambassador, reports that the United States military authorities have already despatched aid to the new disaster area on the main island and that the Japanese Government has inaugurated a relief programme.

3. The Ambassador has sent messages of sympathy on behalf of the Canadian Government to the appropriate Japanese authorities in connection with both floods. He reports that the Japanese budget for natural disasters amounts to only Y[en] 4 billion whereas damage in the Kyushu area alone has been privately estimated at Y[en] 150 billion ($440 million). Mr. Mayhew has emphasized the need for additional foreign assistance and has asked to be informed immediately if the Canadian Government is proposing to render immediate or long term aid.

4. Apart from the humanitarian aspect of the matter, there are a number of reasons why some gesture by Canada would be useful at this stage. Japan occupies a key position in Asia and from the point of view of our long term political interests,

it would seem desirable to show that Canada is not disinterested in developments there. In connection with the possible conclusion of a trade agreement with Japan, it would also appear important to increase public awareness of our interest in that country. The presence of Canadian troops in the area may make it particularly appropriate to do something for Japan on this occasion.

5. The Canadian Red Cross Society have advised that amongst other things supplies of powdered milk and canned meat are required in the flood areas. The fact that considerable surplus stocks of these two commodities are presently held by the Canadian Government with little prospect of commercial sale may increase the desirability of making any aid available in this form.

6. Possibly, a gift of canned pork and powdered milk might, with the agreement of the Canadian Red Cross, be financed from the funds still uncommitted of the amount provided by the Canadian Government earlier this year for flood relief in the United Kingdom and the Low Countries. In this connection, the National Commissioner of the Red Cross Society has advised that of the total available for European flood relief (approximately three million dollars, including the one million dollar Government contribution), roughly one half remains uncommitted. He has advised, however, that the balance is required to finance rehabilitation projects which are coming forward. Apart from the administrative difficulty of using for Japanese flood relief, funds which have been turned over to the Red Cross for another purpose, there is a danger that expenditure of some of these monies in Japan might be misunderstood in Europe. It would appear also that a procedure of this kind might require subsequent legislative action. A suitable alternative might be to make use of the Contingency Fund of the Department of Finance.

7. It is submitted that if aid is to be provided for Japanese flood relief, it should be in an amount large enough to generate good will (say $50,000) and should be made available quickly in order to heighten the impact of the gift both in Canada and Japan.

Recommendation

It is recommended that:

(a) flood relief be made available to Japan in the form of canned pork and powdered milk in the amount of $50,000;

(b) the above contribution be financed from the Contingency Fund of the Department of Finance;

(c) the division of the Canadian contribution as between canned pork and powdered milk be decided by the Secretary of State for External Affairs on the basis of need, as advised by the Canadian Red Cross or the appropriate Japanese authorities;

(d) for the purposes of this gift, powdered skimmed milk, whether spray-dried or roller-dried, be obtained from the Agricultural Prices Support Board at cost, and

that canned pork be procured at the price established for previous sales to relief organizations such as CARE[16] (27.8 cents per pound f.o.b.[17] Vancouver);

(e) authority be granted to the Secretary of State for External Affairs to arrange for the delivery of relief supplies to Japan in the most expeditious manner practicable and that the shipping charges involved be met from the funds approved for Japanese flood relief and/or by the Government of Japan if the Japanese authorities are willing to pay all or part of these costs.

BROOKE CLAXTON

1081. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], August 5, 1953

. . .

FLOOD RELIEF FOR JAPAN

6. *The Minister of National Defence*, as Acting Secretary of State for External Affairs, said that, in the last few months, Japan had experienced two disastrous floods and the Canadian Ambassador there had emphasized the need for outside assistance. There were a number of reasons why help by Canada would be useful at the present stage, apart from humanitarian considerations.

The Canadian Red Cross Society had advised that supplies of powdered milk and canned meat were required, among other things, in the flood areas. It was recommended that assistance in the form of such items be provided.

An explanatory memorandum was circulated.

(Acting Minister's memorandum, Aug. 4, 1953 — Cab. Doc. 161-53)

7. *The Cabinet* approved the recommendation of the Acting Secretary of State for External Affairs and agreed:

(a) that flood relief be provided to Japan in the form of canned pork and powdered milk to the amount of $50,000; the division of the contribution as between the two items to be decided by the Secretary of State for External Affairs on the basis of advice by the Canadian Red Cross Society or the appropriate Japanese authorities;

(b) that the powdered milk be obtained from the Agricultural Prices Support Board at cost and the canned pork at the price established for previous sales to relief organizations such as CARE (27.8¢ per pound f.o.b. Vancouver);

---

[16] Cooperative for American Relief Everywhere (formerly Cooperative for American Remittances to Europe).

[17] Franco à bord/Free on board.

(c) that the Department of Finance decide whether to finance the contribution from their contingency fund or in some other fashion that would be appropriate; and,

(d) that authority be granted to the Secretary of State for External Affairs to arrange for the delivery of the relief supplies in the most expeditious manner practicable and for shipping charges to be met from funds provided for Japanese flood relief or by the government of Japan, if the Japanese authorities were willing to pay all or part of the costs.

1082. DEA/4606-C-21-40

L'ambassade au Japon au sous-secrétaire d'État aux Affaires extérieures

Embassy in Japan to Under-Secretary of State for External Affairs

LETTER NO. 933 Tokyo, September 17, 1953

BENEFIT BALL FOR THE RELIEF OF FLOOD VICTIMS

I do not know whether you are interested or not in the Ball which we held at the Embassy on September 10th for the benefit of flood victims in central and southern Japan. It was I think a success. At least I have never done anything which earned us so many kind and appreciative remarks. There were about 450 in attendance. The enclosed copy of the letter which accompanied the cheque we sent to the Japanese Red Cross will give you the vital statistics.†

2. The Nippon Hoso Kyokai (Japan Broadcasting Commission) supplied the music and the games were run on a self-sustaining basis, that is the prizes were bought out of the funds taken in at the various games. I supplied the food and other refreshments. The catering was too big a job to be done by our own staff and we contracted caterers from outside who did an exceptionally good job. They probably provided a little bit more food than was necessary but it was a very tasty and nicely served supper.

3. I think the Ball has done us a great deal of good in this community as well as providing a substantial sum of money for the relief of the flood victims.

4. In the planning and holding of the Ball we came up against a couple of problems which I should like to take up with you. It would be much easier to cope with this form of entertainment if we had a marquee of our own. We had to borrow one for this occasion from the Imperial Palace. We need at least another 150 verandah-type chairs and an awning over a portion or possibly all of the east end of the residence. Since my arrival we have had three fairly large affairs. We have permitted the Tokyo Women's Club to use the Embassy twice for music recitals and on each occasion we have had to borrow 150 chairs from the British Embassy. For the Ball we had to borrow an additional 100 chairs from Ebisu Camp. As these three occasions were more or less benefit parties we did not feel too much under an obligation but if we were to entertain on such a scale entirely on our own we would

hesitate to ask for this equipment. However, we will be forwarding a formal request when we are able to get estimated costs for the three items mentioned.

R.W. MAYHEW

SECTION B

NÉGOCIATIONS COMMERCIALES
TRADE NEGOTIATIONS

1083. PCO

Note pour le Cabinet

Memorandum for Cabinet

SECRET Ottawa, [n.d.]

TRADE DISCUSSION WITH JAPAN

1. At the meeting of November 19th, 1952, the Cabinet considered the general lines to be followed in discussions with the Japanese concerning the proposed most-favoured-nation trade agreement. The discussions have proceeded since that time on the basis of the Cabinet's directions, but a stage has now been reached at which further direction is urgently necessary. At an early stage in considering this matter, the Cabinet agreed that it was important not to give any impression that Canada was trying to protract or delay the negotiations. There has been some indication recently that the position of certain Canadian exports in the Japanese market, particularly dissolving woodpulp, may be threatened by the absence of a satisfactory agreement. The importance of Japanese-Canadian trade to Canada has increased in the last year or so. The proportion of exports to imports was 6 to 1 in 1951, but in 1952 the balance in favour of Canada was 8 to 1. It is, therefore, more important even than when the Cabinet had this matter last under consideration to avoid anything that might endanger Canadian exports to Japan.

2. At the November 19 meeting, the Negotiating Group set up by Cabinet on July 31 (consisting of A.E. Ritchie, Department of External Affairs; J.J. Deutsch, Department of Finance; and C.M. Isbister, Department of Trade and Commerce) were instructed:

(1) to seek a reservation of the right to apply fixed values on imports which cause or threaten to cause serious injury to Canadian industry; and

(2) to seek certain assurances from Japan concerning the treatment of Canadian exports; including an undertaking by Japan not to discriminate against imports from Canada in the application of trade and exchange restrictions, which would in effect be additional to any safeguards afforded by GATT in the event that Japan is admitted to GATT.

3. The Cabinet memorandum concerning the type of assurances that should be sought from Japan on the treatment of Canadian exports was as follows:

"It could be pointed out to the Japanese at the outset of the negotiations that the proposed extension to them of most-favoured-nation rates represented a major concession, particularly as they reflect the results of negotiations in GATT. In the light of this, and the fact that Japanese imports into Canada would not be liable to any form of discrimination, the Committee consider that we would be justified in asking for similar non-discriminatory treatment of Canadian exports to Japan. This would apply particularly to the 100% surtax on the present tariff duties which the Japanese authorities may, under existing legislation, impose on goods from any country discriminating in any way against Japan. It would apply also to quantitative import restrictions and the allocation of foreign exchange, which are at present being administered by the Japanese on a discriminatory basis. The starting position should probably be to insist on complete non-discrimination between hard and soft currency countries. If the position could not be maintained in the course of negotiations it might be desirable nonetheless to have the principle of non-discrimination spelled out in the agreement with the reservation that, if the Japanese found it necessary to depart from this principle, they would enter into full consultations with us at our request. The last position to which we might move would be to insist at least on the non-discriminatory allocation of exchange among the hard currency countries. The question whether we would be prepared to retreat this far would have to be decided at the time in the light of the progress achieved in the negotiations as a whole."

4. Initial discussions were held with the Japanese on the basis of a draft agreement submitted by Japan. The Japanese draft was found to be unsatisfactory in several respects and had to be substantially modified to take into account the Canadian point of view. Accordingly, a revised draft of a most-favoured-nation trade agreement was submitted to Japan as a basis for negotiations which included:

(1) an escape clause to permit, in certain circumstances, the imposition by Canada of increased values for duty; and

(2) provisions requiring complete non-discrimination by Japan in the application of trade and exchange restrictions.

5. Since then several discussions have been held with the Japanese on the basis of the revised Canadian draft agreement. As a result of these discussions the position of the Japanese Government on the two main proposals contained in the revised draft has now become clear.

6. It would appear that the Japanese Government is prepared to accept the principle of a valuation procedure which would permit, in certain circumstances, the imposition of increased values for duty on imports causing or threatening to cause serious injury to a Canadian domestic industry. The Japanese have indicated a preference for covering the escape clause on valuation by means of an exchange of notes rather than by way of a formal provision in the Agreement itself, but have not excluded the latter possibility. Accordingly, it is not expected that the inclusion of satisfactory provisions relating to valuation will create any difficulties, although the details remain to be worked out.

7. With respect to the Canadian proposal requiring complete non-discriminatory application of trade and exchange restrictions, the Japanese Government are not

prepared to accept such an undertaking. In their view, uncertainties affecting the future of the Japanese balance of payments, and the widespread inconvertibility of currencies, make it imperative for them to retain the right to impose discriminatory trade and exchange restrictions in order to safeguard the external financial position of Japan. The Japanese have put up several counter-proposals, but these offer no real protection to Canada against the continuation and extension of discriminatory trade and exchange restrictions affecting Canadian exports. While these proposals are, of course, unacceptable to us, it is clear that provisions requiring complete non-discrimination will not be acceptable to the Japanese.

8. The Negotiating Group has attempted to find a way out of this impasse by devising a formula which, while recognizing the realities of the Japanese balance of payments position, would at the same time give reasonable assurances for the principal Canadian exports to the Japanese market. It is considered that such a formula should include the following provisions:

(1) an undertaking by Japan not [to] discriminate against Canada in favour of other hard currency sources of supply; and

(2) an undertaking by Japan not to impose any trade or exchange controls which have the effect of discriminating against traditional Canadian exports to Japan.

9. The Negotiating Group considered that the most effective way to cover these points was to include in the draft agreement a specific reference to a list of Canadian exports to Japan for which we seek complete non-discriminatory treatment. The Negotiating Group is aware that the inclusion in the Agreement of special safeguards for a list of key exports raises a number of presentational difficulties. At best, any special list of export products would have to be strictly limited in number if it is to have a reasonable chance of being acceptable to Japan. Exporters of other products might object to the fact that their products were not included on the list entitled to full non-discriminatory treatment. Other objections might arise because the special list comprises mainly basic foodstuffs and other primary products. Canadian manufacturers, who would have to meet increased competition from Japanese imports, may argue that the Japanese concessions with respect to these basic primary products were obtained at the expense of the Canadian manufacturing industry. The Negotiating Group would have preferred a formula stated in more general terms to cover our position but was unable to devise a general provision which covered the situation adequately. Appendix “A” to this memorandum contains a revised article dealing with trade and exchange restrictions which meets the criteria set out above and which, in the view of the Negotiating Group, may provide the basis for an acceptable compromise between the Japanese and Canadian positions.

10. It should be pointed out that the appended list of export items selected for special treatment are commodities which combine the following characteristics:

(1) they are finding or are expected to find an important continuing market in Japan;

(2) they are obtainable by Japan from non-dollar sources of supply;

(3) the Canadian producing these goods would be seriously affected if the Japanese market should be closed or severely restricted.

These products account for about 85 per cent of Canadian exports to Japan in 1952. Although 9 commodities are included in the special list, the most important are barley, wheat and woodpulp which together have made up about 60 per cent of our total exports to Japan in recent years. The attached list of export products for which we propose complete non-discrimination can, therefore, be regarded as a negotiating list, and certain deletions could be made without impairing seriously the value of the concessions sought from Japan.

11. Total imports into Japan of the products in the special list account for about 17 per cent of Japanese foreign exchange allocations, so that, in the view of the Negotiating Group, the inclusion of a list of roughly this magnitude should not create insurmountable financial difficulties for Japan. At the same time, it should be noted that implementation by Japan of a proposal along these lines would involve substantial changes in the present Japanese system of trade and exchange controls. It would limit Japan's freedom in making bilateral agreements by which exclusive trade privileges are exchanged with a number of countries; and might also involve some additional hard currency expenditures for the importation of the listed products. For these reasons Japan may find it difficult to agree to a proposal of this kind. From the Canadian point of view, however, it is important that we should seek to obtain some assurances along the lines contained in our proposal which offer real benefits for our exporters.

12. The provisions described above concerning the use of trade and exchange restrictions by Japan would, the Committee believes, give Canada a number of important assurances affecting the treatment of Canadian exports to the Japanese market. While Japan would retain the right to continue to impose trade and exchange restrictions for the purpose of protecting her balance of payments, certain clear limitations would be placed on Japan's right to apply such restrictions in a manner which discriminated against imports from Canada. Under these provisions, Canadian exports to Japan would be assured the following treatment.

13. With respect to the list of principal Canadian export items which are specifically enumerated in the draft agreement, any balance of payments restrictions imposed by Japan would have to be completely non-discriminatory. That is, Canadian exporters would have the right to compete for all Japanese imports of these commodities on the same basis as the exporters of any other country, regardless of whether the currency of that country is hard or soft. The specified list of Canadian exports are basic foodstuffs or raw materials, essential to the Japanese economy, so that Japan will no doubt continue to import these goods in substantial quantities. Because these goods are also available from soft currency sources of supply, an undertaking by Japan to give Canada equal treatment with all other suppliers would constitute an important commitment by Japan of real significance to Canada's export trade.

14. With respect to all other Canadian exports Japan would retain the right to apply trade or exchange restrictions in a manner which favoured imports from soft currency countries. Japan would not be permitted, however, under the proposed provisions, to discriminate against Canada in favour of other hard currency countries, i.e., the United States.

15. Appendix "B" to this memorandum contains a statement indicating the principal products which enter into Canadian trade with Japan.

16. The Negotiating Group would like to have direction as to whether inclusion in the Agreement of provisions along the above lines appears to be appropriate. If, in the view of Cabinet, this line of approach is appropriate, the Negotiating Group recommends that:

(1) authorization be given to transmit to the Japanese Government a revised draft article on trade and exchange restrictions, to include the provisions suggested above and described in Appendix "A", as a basis for negotiation; and

(2) the Negotiating Group report back to Cabinet when the views of the Japanese Government on this proposal, or on variants of this proposal which might be acceptable to us, have been ascertained.

NEGOTIATING GROUP

APPENDICE A
APPENDIX A

ARTICLE IV

Trade and Exchange Restrictions

1. No prohibitions or restrictions shall be applied by either Contracting Party on the importation of any article, the growth, produce or manufacture of the other Contracting Party or except as provided in legislation affecting essential security interests, on the exportation of any article consigned to the territory of such other Contracting Party, unless the importation of the like article of all third countries or the exportation of the like article to all third countries is similarly prohibited or restricted.

2. In all matters relating to the allocation of foreign exchange, and to the administration of foreign exchange restrictions, affecting transactions involving the importation and exportation of goods, each Contracting Party undertakes to accord to the other unconditional most-favoured-nation treatment.

3. Both Contracting Parties recognize that the existence of balance of payments difficulties in many countries, and the widespread inconvertibility of currencies, do not permit the immediate and full achievement of non-discriminatory application of trade and exchange restrictions affecting imports. Accordingly, notwithstanding the provisions of this Agreement, either Contracting Party may, in the application of trade or exchange restrictions affecting imports, for the purpose of safeguarding its external financial position and balance of payments, temporarily deviate from the provisions of paragraphs 1 and 2 of this Article, *provided that*:

(a) if either Contracting Party maintains any trade or exchange restrictions affecting imports, such restrictions shall be applied in such a way as to avoid unnecessary damage to the commercial or economic interests of the other Contracting Party;

(b) if either Contracting Party maintains any trade or exchange restrictions affecting imports which deviate from the provisions of paragraphs 1 and 2 of this Article, such restrictions shall not be applied in such a way as to result directly or indirectly in discrimination as between countries whose currencies are convertible;

(c) if either Contracting Party maintains trade or exchange restrictions affecting the importation of any of the articles listed in Annex "A" to this Agreement, such restrictions shall be so administered as to conform fully with the requirements of non-discriminatory treatment contained in paragraphs 1 and 2 of this Article.

List of Canadian Exports for which it is Proposed that Japan will Accord Canada Full Non-discriminatory Treatment.

Wheat
Barley
Woodpulp
Flaxseed
Primary Copper
Lead in Pigs
Zinc Spelter
Synthetic Resins
Milk Powder

APPENDICE B

APPENDIX B

TABLE 1

CANADIAN EXPORTS TO JAPAN
($000)

	1939	1951	1952
Barley	—	7,460	39,048
Wheat	—	29,478	36,492
Wood pulp	449	16,800	5,900
Iron ore	—	821	5,546
Milk powder	—	—	386
Synthetic resins	—	255	262
Primary copper	2,845	—	90
Flaxseed	—	3,433	27
Lead in pigs	2,672	265	—
Zinc spelter	1,273	1,479	—
All Other	20,928	12,985	14,852
TOTAL EXPORTS	28,167	72,976	102,603

TABLE 2

CANADIAN IMPORTS FROM JAPAN

($000)

	1939	1951	1952
Manufactures of iron and steel	1	1,175	3,431
Oranges, mandarines	226	877	1,088
Chinaware	147	914	709
Fresh fish	16	672	658
Toys	26	643	586
Silk for neckwear	128	681	410
Fabric gloves and mitts	40	366	348
Porcelain and alabaster ornaments & statuettes	41	746	331
Optical and scientific instruments & cameras	17	270	326
Sodium glutamate	35	289	287
Jewellery	138	237	276
Cotton fabrics	217	275	251
Sewing machines	11	121	244
Other manufactures of cotton	238	277	226
All Other	3,583	5,034	3,991
TOTAL IMPORTS	4,864	12,577	13,162

Table I shows that in 1952 Japan was Canada's 4th largest export market. Exports to Japan at a figure of $103 million were exceeded only by exports of $2,307 million to the United States, $746 million to the United Kingdom and $104 million to Belgium. This compared with exports to other principal markets of $81 million to Brazil, $55 million to India, $50 million to Australia and $48 million to France. With respect to individual Canadian industries, Japan constitutes a highly important market for a number of products of which barley, wheat and woodpulp have been the three major exports to Japan in recent years. In 1952 Japan was Canada's largest market for barley, taking some 27 per cent of all Canadian barley exports; the 6th largest market for wheat, absorbing some 6 per cent of our total wheat exports; and the 3rd largest market for dissolving pulp as well as an important outlet for other grades of woodpulp. The woodpulp industry in British Columbia is particularly dependent on the Japanese market for rayon pulp.

Table II shows that imports from Japan in 1952 amounted to $13 million, approximately ⅛ the value of exports to that market. It should be noted that imports from Japan are spread over a wide variety of manufactured goods many of which are also produced in Canada. At present, imports from Japan are subject to the higher rates of our general tariff and this, no doubt, helps to explain the low level of imports from Japan. If a Most-Favoured-Nation agreement is concluded with Japan, Japanese goods would enter Canada at the lower tariff rates which now apply to all other countries entitled to most-favoured-nation treatment. It is to be expected that this would result in increased competition from Japan for a wide range of goods manufactured in Canada.

1084. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], July 6, 1953

. . .

TRADE DISCUSSIONS WITH JAPAN

19. *The Minister of Finance*, referring to discussion at the meeting of November 19th, 1952, said the negotiating group had now advised that a point had been reached, in the discussions with Japan concerning a most-favoured-nation trade agreement, at which further direction from the Cabinet was necessary. It appeared that the Japanese government was prepared to accept the principle of a procedure that would allow the imposition of increased values for duty on imports causing or threatening to cause serious injury to domestic industry. They were not prepared to give an undertaking for complete non-discriminatory application of trade and exchange restrictions. To meet the situation, the negotiating group had devised a formula which, while recognizing the realities of the Japanese balance of payments position, would give reasonable assurances for the principal Canadian exports to the Japanese market. The formula was set forth in a note from the group.

An explanatory memorandum had been circulated.

(Memorandum, Negotiating Group, undated — Cab. Doc. 152-53)

20. *The Cabinet* noted the report of the Minister of Finance about discussions with Japan on the proposed most-favoured-nation trade agreement and agreed:

(a) that the negotiating group be authorized to transmit to the Japanese government a revised draft article on trade and exchange restrictions to include provisions, as submitted, as a basis for negotiation; and,

(b) that the negotiating group report back to the Cabinet when the views of the Japanese government on the proposal, or on variants which might be acceptable to the government, had been ascertained.

1085. DEA/10389-40

La Direction économique au conseiller de l'ambassade du Japon

Economic Division to Counsellor, Embassy of Japan

CONFIDENTIAL Ottawa, September 15, 1953

Dear Mr. [K.] Inagaki,

At our meeting yesterday afternoon, you asked if we could supply drafts of the modifications which might be made in our latest proposal to meet certain points which had been raised by you during the meeting on August 26. As I told you yesterday, we are not in a position to put forward any modifications formally at this stage, since we have not had an opportunity to ascertain the views of our Ministers.

I am very glad, however, to let you have on an informal basis the modifications which the group of officials concerned would be prepared to recommend to Ministers. Accordingly, I am enclosing tentative drafts relating to:

(a) alterations which might be made in Section 3(b) of Article IV of our proposal of July 9; and

(b) the substance of an Exchange of Notes which might take place concerning the treatment of existing commitments and specific import plans of the Japanese Government.

I trust that these indications of the kinds of changes which we have in mind will enable you to give further consideration to our proposals.

Yours sincerely,

A.E. RITCHIE

[PIÈCE JOINTE 1/ENCLOSURE 1]

Nouveau projet de rédaction de l'article IV, section 3 (b) du traité avec le Japon

Proposed Re-Draft of Article IV, Section 3(b) of Japanese Treaty

(b) if either Contracting Party maintains any trade or exchange restrictions affecting imports which temporarily deviate from the provisions of paragraphs 1 and 2 of this Article, such restrictions shall not be applied in such a way as to result directly or indirectly in discrimination as between countries which are treated as part of the United States dollar area under the exchange control regulations, if any, of each respective Contracting Party, or as between countries whose currencies are convertible in the hands of non-residents.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Texte suggéré pour un échange de notes

Suggested Text for an Exchange of Notes

As a temporary and limited exception to the provisions of Article IV, para 3(c), the Canadian Government recognizes that Japan may be obliged to maintain discriminatory controls affecting the importation of Canadian wheat, barley and woodpulp, only to the extent necessary to fulfil the specific import plans and commitments described below which are in force between Japan and third countries at the time of the signature of the Canada-Japan Trade Agreement. Upon the expiry dates noted below of these import plans and commitments, the provisions of Article IV, para 3(c) shall come fully into effect with the exception that a period of 30 days is granted after each of the said expiry dates, to allow for the entry into Japan of goods ordered under these trade plans and commitments prior to their expiry dates.

Wheat

to the value of US $27 million (F.O.B.) in the period January 1 to December 31, 1953. (Trade and Payments Arrangement with Argentine Republic signed April 30, 1953).

Barley

to the value of US $3.8 million (F.O.B.) in the period January 1 to December 31, 1953. (Trade and Payments Arrangement with Argentine Republic signed April 30, 1953).

Barley

to a maximum of two hundred thousand long tons per year in the period November, 1952 to November, 1955. (Agreement for Sale and Purchase of Australian Barley signed November 14, 1952).

Wood Pulp

to the value of US $1.34 million in the period April 1, 1953 to March 31, 1954. (Trade Agreement with Sweden signed May 7, 1953).

1086. DEA/10389-40

Note du sous-secrétaire d'État par intérim aux Affaires extérieures

Memorandum by Acting Under-Secretary of State for External Affairs

CONFIDENTIAL Ottawa, September 17, 1953

Dr. C.M. Isbister, Department of Trade and Commerce
J.J. Deutsch, Esq., Department of Finance
Dr. A.E. Richards, Department of Agriculture
H.B. McKinnon, Esq., Chairman, Tariff Board
C.B. Urquhart, Esq., Department of National Revenue
J.S. Coyne, Esq., Deputy Governor, Bank of Canada
R.G. Robertson, Esq., Privy Council Office

Mr. Inagaki[18] met in this Department on September 11 with the Canadian negotiating group to indicate the formal reply of his Government to the proposals which the Canadian side had made on July 9 and which had been the subject of further discussion during Mr. Togo's visit to Ottawa on August 26.

2. Mr. Inagaki stated that, while the ultimate objectives of his Government were similar to those of the Canadian Government as reflected in the proposals of July 9, the Japanese Government did not feel able to move as far in the direction of a non-discriminatory policy as those proposals would require. Mr. Inagaki then submitted an alternative draft. This alternative text would permit Japan to deviate temporarily from the non-discrimination requirements of the Article. A copy of the Japanese counter-proposal is attached. In addition, Mr. Inagaki indicated that his Government would be prepared, either in the Agreement or in a separate (possibly confidential) Exchange of Notes, to guarantee that dollar allocations for the import of

[18] Kazuyoshi Inagaki, conseiller, ambassade du Japon.
Kazuyoshi Inagaki, Counsellor, Embassy of Japan.

wheat, barley and woodpulp during the twelve-month period from October 1953 through September 1954 would not fall below a specified minimum.

3. At that meeting the Canadian group refrained from commenting on the substance of the Japanese proposal and merely sought clarification of the following points which were somewhat obscure:

(a) if dollar allocations could be guaranteed for only a year, was it appropriate to envisage in paragraphs 3(a) and (b) of the Japanese proposal that deviations from the principle of non-discrimination should be permitted for a period of two years and that the consultation regarding the application of that principle in the future should take place at the end of two years?

(b) would the guaranteed minimum "dollar allocations" be for purchases from the dollar area alone or might some part of them be absorbed in purchases from other countries?

(c) what guaranteed minimum quantities did the Japanese Government have in mind; would they be expressed as an absolute amount or as a percentage of total imports or as a combination of the two?

4. Mr. Inagaki undertook to secure clarification on these points by Monday if at all possible.

5. On Monday afternoon, September 14, the Canadian group again met with Mr. Inagaki to receive the additional information which he had secured from Tokyo. With respect to the questions which had been asked at the previous meeting, Mr. Inagaki was able to reply that:

(a) his Government would be willing to have the period in paragraph 3 of the Article reduced from two years to one year in order to make it co-terminous with the period covered by the guaranteed minimum dollar allocations;

(b) the guaranteed minimum dollar allocations would be reserved for purchases from the dollar area;

(c) the Japanese Government would prefer to express the guaranteed minima as percentages of total imports, and they would suggest that the percentages might be:

	Dollar Allocation as Proportion of Total Imports of the Particular Commodity
Wheat	74%
Barley	63%
Woodpulp (sulphate and sulphite)	72%

6. Mr. Inagaki emphasized that these percentages represented minimum dollar purchases and that, in fact, purchases from the dollar area would probably be substantially larger (particularly since it was already evident that amounts scheduled for delivery under bi-lateral agreements would not be forthcoming). He explained that these percentages had been arrived at after allowing for commitments or expected purchases from non-dollar sources. He gave the following figures in support of the calculations:

	Total Expected Imports	Imports Expected from non-Dollar Sources	Imports Expected from Dollar Sources
Wheat	1,550,000 tons	400,000 tons	1,150,000 tons
Barley	800,000 tons	300,000 tons	500,000 tons
Woodpulp	90,000 tons	25,000 tons	65,000 tons

7. Mr. Inagaki explained that the figures for barley were somewhat low for the reason that current stocks were relatively high. He asked that all of these figures (which were illustrative and might be altered in practice) should be regarded as confidential.

8. The Canadian officials informed Mr. Inagaki that, while they had not had an opportunity to ascertain the definite views of Ministers, their own reactions were generally unfavourable to the kind of proposal which he had put forward. They expressed the hope that the Japanese Government would be prepared to re-examine the Canadian proposals of July 9. In this connection, they offered to supply Mr. Inagaki with tentative drafts of the modifications which they would be prepared to recommend to Ministers to meet the two points raised by the Japanese side at the meeting on August 26. The Canadian officials also undertook to secure Ministerial views on the Japanese proposal as soon as possible and to communicate them to Mr. Inagaki. It was pointed out by the Canadian group that consideration of the Japanese application for temporary admission to the GATT would be difficult if by that time an agreement between Canada and Japan had not been concluded or was not in sight.

9. On September 15, a letter was sent to Mr. Inagaki outlining the modifications in the proposals of July 9 which the Canadian officials would be prepared to recommend. A copy of that letter is attached.[19] Mr. Inagaki was also told orally on that day that some of the Ministers primarily concerned had already expressed their views on the draft which he had submitted and that those Ministers found his proposal unacceptable. It was appreciated that the Japanese authorities had made an effort to meet certain of the points which had been made by the Canadian group in the negotiations; the proposition which they had submitted, however, was one which could not be readily reconciled with the general lines of the commercial policy which Canada has followed and which she has advocated internationally since the war. While the Japanese draft of Article IV acknowledged the objective of non-discrimination, the specific provisions did not move in that direction. The provision suggested by the Japanese Government would not really reduce the element of possible discrimination in Japanese trading arrangements with other countries. To the extent that it might appear to reserve a fixed portion of the Japanese market for dollar suppliers, it might even be represented by non-dollar countries as involving discrimination against those countries. Such a provision would generally give the agreement the appearance of a fairly rigid bilateral commodity trade deal of the sort to which we have taken exception in the past (even though in this case the quantities or percentages related to the whole dollar area and not just to Canada). The hope was again expressed that Tokyo would reconsider the Canadian proposals of

[19] Le document 1085./Document 1085.

July 9 with the modifications suggested by officials. It was also re-emphasized that any failure to approach an agreement could not fail to affect Canada's attitude towards Japan's application for provisional admission to the GATT.

10. Mr. Inagaki said that he would report this reaction to Tokyo and would ask that further thought be given to the earlier Canadian proposals. He remarked that in any further consideration which his people might give to our proposals they would probably wish to know:

(a) whether other existing commitments beyond those listed in the attachment to our letter of September 15 could be excepted from the non-discrimination requirement of Article IV; and

(b) in what manner we would propose to determine whether any future transactions were non-discriminatory, especially when the nominal price might be distorted by the fact that the transaction was part of a barter deal or was subject to multiple currency practices.

11. Mr. Inagaki was told that these were matters which could be discussed when his authorities had studied our draft further if they then wished to make any specific suggestions. The assumption underlying the whole agreement was, of course, that all of its provisions would be interpreted and administered reasonably by both sides.

12. At the end of the talk on Tuesday, Mr. Inagaki referred to the fact that his Minister of Finance, accompanied by senior officials, would be visiting Ottawa in a few days, but that he did not think they intended to have substantial discussions about the draft agreement or other matters. He understood that the visit was in the nature of a courtesy call.

13. Mr. Inagaki explained that he himself would be absent in Geneva for two weeks or so and that in the interval the Ambassador would handle any negotiations which might be possible. In addition, Mr. Udo[20] and Mr. Tachibana[21] would be available for any technical discussions that might be required.

A.E. RITCHIE

[PIÈCE JOINTE/ENCLOSURE]

Article IV (contreproposition japonaise)

Article IV (Japanese counterproposal)

[Ottawa], September 11, 1953

1. No prohibitions or restrictions shall be applied by either Contracting Party on the importation of any article, the growth, produce or manufacture of the other Contracting Party or except as provided in legislation affecting essential security

---

[20] Toru Udo, deuxième secrétaire (Commerce), ambassade du Japon.
Toru Udo, Second Secretary (Commercial), Embassy of Japan.

[21] Masatada Tachibana, troisième secrétaire, ambassade du Japon.
Masatada Tachibana, Third Secretary, Embassy of Japan.

interests, on the exportation of any article consigned to the territory of such other Contracting Party, unless the importation of the like article of all third countries or the exportation of the like article to all third countries is similarly prohibited or restricted.

2. In all matters relating to the allocation of foreign exchange, and to the administration of foreign exchange restrictions, affecting transactions involving the importation and exportation of goods, each Contracting Party undertakes to accord to the other unconditional most-favoured-nation treatment.

3. Both Contracting Parties recognize that the existence of balance of payments difficulties in many countries, and the widespread inconvertibility of currencies, do not permit the immediate and full achievement of non-discriminatory application of trade and exchange restrictions affecting imports. Accordingly, notwithstanding the provisions of this Agreement, either Contracting Party may, in the application of trade or exchange restrictions affecting imports, for the purpose of safeguarding its external financial position and balance of payments, temporarily deviate from the provisions of paragraphs 1 and 2 of this Article,

(a) *for a period of two years from the date of entry into force of this Agreement.*

(b) *At the expiration of the two years referred to above, the Contracting Party applying such restrictions shall agree to consult with the other as to their further application. If agreement is not reached within thirty days thereafter, the other Contracting Party shall be free to terminate this Agreement in its entirety by giving sixty days' notice in writing to that effect.*

(c) If either Contracting Party maintains any trade or exchange restrictions affecting imports, such restrictions shall be applied in such a way as to avoid unnecessary damage to the commercial or economic interests of the other Contracting Party.

1087. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], September 29, 1953

. . .

TRADE NEGOTIATIONS WITH JAPAN; JAPANESE MEMBERSHIP IN GATT

20. *The Secretary of State for External Affairs* referring to discussion at the meetings of July 6th,[22] and September 9th, 1953,[23] submitted a memorandum on trade negotiations with the Japanese and the accession of Japan to the General Agreement on Tariffs and Trade.

An explanatory memorandum was circulated.

(Minister's memorandum, Sept. 29, 1953 — Cab. Doc. 224-53) †

[22] Le document 1084./Document 1084.
[23] Le document 423./Document 423.

21. *The Minister of Trade and Commerce*, said that while he was in Geneva, in connection with the eighth session of Contracting Parties to the GATT, the Japanese delegation had sought Canadian support for their provisional admission. Although the Japanese recognized that the Canadian position in this connection was conditional upon conclusion of a satisfactory trade agreement with Canada, they showed, at the time, little inclination to pursue negotiations.

The United States had advised the Japanese to conclude a trade agreement with Canada on the basis of the latest Canadian proposals. The difficulty, from the Japanese point of view, had been their desire to make bilateral agreements, and their objection to concluding an agreement with Canada which would stand in the way of a discriminatory bilateral agreement with the Argentine. The Japanese fear was that, unless they could renew concessions to the Argentine on wheat, they might lose some of their markets in that country. They had expressed the desire informally, to obtain a specific escape clause by which they might obtain release from the Canadian government of their obligations, should they need to make a discriminatory arrangement with countries such as the Argentine.

The Japanese proposed to defer application of the principle of non-discrimination for at least a year when the position would be subject to review. Meanwhile, they would be prepared to guarantee dollar allocations for importation of wheat, barley and wood pulp, most of which were obtained in the dollar area and which were the three most important exports from Canada. This proposal was not considered acceptable because it could not be reconciled with Canadian commercial policies. Consideration had been given to whether the Japanese might be able to accept Canadian proposals if Canada were to amend them by exempting 5 percent, or possibly 10 percent, of Japan's total imports of wheat from non-discriminatory requirements for a period of one year.

22. *In the course of discussion*, the following points emerged:

(a) It would be undesirable to meet the Japanese request for an escape clause or grant them the exemption of a percentage of imports from the non-discriminatory provision. Any such arrangement would make it very difficult to give Canadian support for the admission of Japan to GATT.

(b) If, in the negotiation of a trade agreement with Canada, the Japanese were allowed a measure of discrimination, the reaction of certain Canadian manufacturers of products similar to those imported from Japan would be unfavourable.

(c) It appeared that further negotiations with respect to the trade agreement with Japan would be continued in Ottawa rather than in Geneva. Directions could be given to the Canadian negotiators as required, and it would be best to observe developments further before making any substantial concessions.

23. *The Cabinet* noted the reports of the Minister of Trade and Commerce and the Secretary of State for External Affairs concerning trade negotiations with Japan and discussion at Geneva of Japanese membership in the GATT and agreed:

(a) that the bilateral negotiations for a trade agreement with Japan should be continued in Ottawa and the Canadian negotiating group be instructed:

(i) not to pursue discussion of any percentage exemption of Japanese imports from non-discrimination requirements;

(ii) not to make any move for the reduction of the original list of Canadian commodities to be accorded full non-discriminatory treatment; and,

(iii) for the time being, to reaffirm the proposals for full non-discriminatory treatment for the list of commodities, with the sole exception of specific Japanese bilateral agreements now in force;

(b) that the Canadian delegation to the meeting of the Contracting Parties to the GATT be instructed:

(i) if a position had to be taken before a satisfactory bilateral agreement with Japan had been reached or was assured, the delegation should indicate that, in the absence of a suitable basis for trading relations between Canada and Japan, Canada would not be able to apply the GATT to that trade, although it would have no objection to other countries so doing with regard to their trade; the delegation to be authorized to intimate that, in the event that future bilateral discussions resulted in the establishment of an acceptable basis for trade, the Canadian government would then be prepared to consider having the GATT govern Canadian-Japanese trade relations, subject to the provisions of the bilateral agreement;

(ii) if, by the time a position has to be taken, a bilateral agreement has been reached or can confidently be expected, the delegation should agree to the application of the GATT to trade relations with Japan, on the understanding that the bilateral agreement would prevail in any respect in which it went further than the GATT in the direction of non-discrimination; and,

(iii) in the case of either (i) or (ii) occurring, the delegation should discourage the granting of excessive latitude to the Contracting Parties to take action against Japanese exports when their own trade was not directly affected.

1088. PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

TOP SECRET [Ottawa], October 21, 1953

. . .

TRADE NEGOTIATIONS WITH JAPAN

7. *The Minister of Trade and Commerce*, referring to discussion at the meeting of September 29th, 1953, reported that the reaction of the Japanese government to the revised Canadian proposals about commodities covered in existing trade agreements between Japan and other countries, had now been received. Japan was prepared to accord non-discriminatory treatment to the nine Canadian commodities mentioned, namely, wheat, barley, wood pulp, flaxseed, primary copper, lead in pigs, zinc spelter, synthetic resins, and milk powder, provided Canada would agree to exempt from non-discrimination the amounts of wheat which Japan proposed to

include in a renewed agreement with the Argentine and the proposed trade agreement with Turkey. These amounted to US $27 million for the Argentine, and US $6 million for Turkey. If this proposal were agreeable, the Japanese government would be prepared to import a minimum of 450,000 tons of wheat from Canada in the current wheat year. This amount would probably have to be increased because of the poor Japanese crop prospects.

The proposed agreement included the right of both countries to impose increased valuations for duty on imports causing or threatening to cause injury to domestic industry. Canada had the power to do this under section 43 of the Customs Act, subject to certain conditions provided for in the "escape clause" of the GATT. The Japanese would not wish to have this article appear in the agreement as it might cause difficulties in securing ratification by the Diet. It was proposed that the matter be dealt with through a published Exchange of Notes. The Japanese also proposed that the paragraph dealing with complete non-discrimination for the nine Canadian commodities would not appear in the agreement, but the understanding would be spelled out in a public Exchange of Notes. The actual amounts of wheat exempted would not be stated nor would the countries concerned. These matters would be included in a separate and secret Exchange of Notes.

The vote on Japan's temporary accession to the GATT was likely to be taken in the next few days, and now that agreement between Canada and Japan appeared to be settled, the Japanese were anxious to receive Canadian support for their accession.

It was recommended, with the concurrence of the Secretary of State for External Affairs and the Minister of Finance, that Cabinet indicate whether an agreement along the lines suggested would be acceptable and that, if it were, Canadian officials be authorized to meet with the Japanese officials to put the agreement in treaty form and work out the text of the proposed Exchange of Notes. Direction was also sought as to whether the substance of Article II on special valuation procedures be published in an Exchange of Notes rather than in the text of the agreement and whether, on receipt of the confirmation of the Japanese government's acceptance of the agreement, Canada was prepared to support the temporary accession of Japan to the GATT.

(Memorandum, Secretary of State for External Affairs, Oct. 20, 1953 — Cab. Doc. 256-53)†

8. *In the course of discussion*, it was pointed out that the principal difficulty, from the Canadian point of view, would be the existence of a secret Exchange of Notes. Even so, everything would be known except the countries which Japan wished to exempt from non-discrimination and the dollar amounts of wheat involved. If questions were asked in Parliament, it might be stated that, while Canada disliked being a party to such an Exchange of Notes, it was necessary to secure an agreement which appeared to be in the best interests of the country. The advantage of the agreement was so great that the government felt it should accede to the Japanese request.

9. *The Cabinet* agreed:

(a) that a trade agreement between Canada and Japan along the lines outlined was acceptable;

(b) that Canadian officials be authorized to meet with the appropriate Japanese officials to put the agreement in treaty form and to work out texts for the Exchange of Notes proposed;

(c) that the substance of Article II, on special valuation procedures, be dealt with in a published Exchange of Notes rather than as part of the text of the agreement, on the understanding that, in the exchange, the Japanese would recognize Canada's right to resort, in specified circumstances, to special valuation procedures;

(d) that the portion of Article IV dealing with complete non-discrimination be dealt with as a published Exchange of Notes rather than as part of the text of the agreement, and that the reservations in the case of wheat be covered by notes not to be published;

(e) that, on receipt of confirmation of Japanese acceptance of an agreement as outlined, authority be given to the Canadian delegation to the GATT to support the temporary accession of Japan to the General Agreement; and,

(f) that, if Japan's application for accession to the GATT was accepted, authority be given to the delegation in Geneva to state that Canada would be prepared to work out with the Japanese a suitable instrument for the application of the General Agreement between Canada and Japan as soon as the bi-lateral agreement between the two countries has been ratified, and on the understanding that the bi-lateral agreement and related undertakings would prevail in any respect in which they differed from or were not specifically provided for in the GATT.

. . .

Chapitre XII/Chapter XII

AMÉRIQUE LATINE
LATIN AMERICA

Première partie/Part 1

GÉNÉRALITÉS
GENERAL

Section A

MISSION COMMERCIALE DE BONNE ENTENTE
GOODWILL TRADE MISSION

1089. DTC/7-1300

Commentaires du président de l'Association canadienne interaméricaine

Comments by President, Canadian Inter-American Association

March 1953

CANADIAN TRADE AND GOOD-WILL MISSION TO LATIN AMERICA
JANUARY 5 THROUGH FEBRUARY 10, 1953[1]

The Mission was planned, headed, and skillfully directed in the field by the Rt. Hon. C.D. Howe, Minister of Trade and Commerce. The following businessmen, with their indicated association connections, made up the Mission:-

Mr. James S. Duncan, Chairman and President of the Massey-Harris Co. Ltd., Toronto, who also represented the Canadian Manufacturers' Association.

Mr. D.W. Ambridge, President and General Manager of the Abitibi Power & Paper Co. Ltd., Toronto, and representative of the Canadian Chamber of Commerce.

Mr. K.F. Wadsworth, President and General Manager of the Maple Leaf Milling Co. Ltd., Toronto.

Mr. Frank L. Marshall , Vice President in Charge of Export for the House of Seagram, Montreal, and representing the Canadian Inter-American Association, of which he is President.

---

[1] Il s'agit ici du seul rapport détaillé de la mission commerciale de bonne entente dans les dossiers du ministère du Commerce. Pour le rapport du très honorable C.D. Howe sur cette mission, voir Canada, *Débats de la Chambre des communes*. 1952-1953, volume III, 26 février, pp. 2555-2563. This is the only comprehensive account of the Goodwill Trade Mission located in Department of Trade and Commerce files. For Rt. Hon. C.D. Howe's report on the mission, see Canada, House of Commons, *Debates*, 1952-1953, Volume III, February 26, pp. 2419-25.

Mr. Jean-Marie Bonin, General Manager of the La Cooperative Agricole de Granby, Granby. Mr. Bonin was also representing la Chambre de Commerce de la Province de Quebec.

Mr. Alex Gray, President of the Gray-Bonney Tool, Co. Ltd., Toronto, who represented the Canadian Exporters' Association.

Mr. Clive B. Davidson, Secretary of the Canadian Wheat Board, Winnipeg.

Government Members of the Mission

Mr. W. Fred Bull, Deputy Minister of Trade and Commerce, ably assisted and directed, on all phases of the Mission.

The Department of External Affairs was ably represented by *Mr. Jules Léger*, Assistant Under-Secretary of State for External Affairs.

Mr. Alfred Savard, Area Trade Officer for Latin America in the Department of Trade and Commerce, was secretary of the Mission.

Mr. Maurice Schwarzmann, of the Treaty Division of the Department of Trade and Commerce, who acted as Private Secretary to Mr. Howe.

Mission Itinerary and Departure

The Mission left Ottawa on Monday morning, January 5th, 1953, at 10 a.m.

A formal Dinner had been tendered the Mission by Dr. Heitor Lyra on Saturday night, January 3rd, in Ottawa at the Brazilian Embassy. Dr. Lyra, the Brazilian Ambassador, in a humorous vein, forecast some of the speech making that would be encountered on the Tour, and counselled that brevity be featured in our replying speeches.

Sunday, January 4 was devoted to final planning meetings of the Mission, held at the Chateau Laurier.

The Mission take-off on the morning of January 5 was smooth and the weather excellent. Cabinet Ministers Pearson, Abbott, Garson, and others, were at Rockcliffe Airport to bid the mission godspeed. The Prime Minister was not in Ottawa when the Mission departed, having spent the New Year week-end at his home.

The Mission travelled in the RCAF C-5 aircraft, which carried HRH Princess Elizabeth and the Duke of Edinburgh on their Tour of Canada in 1951. The C-5 aircraft and its smart RCAF crew created real interest and admiration at the various points visited. On the occasion of departure from the various cities numerous government officers and business men took occasion to inspect the plane. At one stop a lady visitor made the amusing request to see the powder room used by Princess Elizabeth on her Tour.

Fine Travelling Facilities

The Mission travelled on diplomatic passports throughout, and were thus cleared through customs and immigration with no technicalities whatsoever, and without opening and inspection of baggage. Flying weather was good to excellent throughout the journey. The RCAF boys handled the plane beautifully, over deserts, jungles and mountains, all in strange terrains.

The Mission members were formal guests of the State in Brazil and Uruguay, with the accompanying motorcycle police escorts throughout our stay. The Rt. Hon. C.D. Howe was guest of state in Argentina.

The Mission period ran exactly five weeks from the morning of departure from Ottawa, January 5, to the morning of return departure from Mexico City on February 10. Distance travelled — approximately 20,000 miles. 15 cities visited, in 10 countries.

The seven industrial and business men members of the Mission paid their own living and air travel expenses throughout the Tour. The Government people on the Mission performed prolonged and invaluable services pre-planning the Mission, and in coordinating it with local governments throughout the Tour.

Policy and Approach of the Mission

These were strictly informal. It was made clear from the start that the Mission as such, would not undertake to conclude treaties or sell goods. The Mission had complete and intimate contact with the heads of states, their cabinet ministers, the leading bankers and bankers' groups, Chambers of Commerce, and manufacturers' associations, throughout the various countries. The Mission was at times divided into two and three groups, and in between visits, the various business men representing leading Canadian industries had an opportunity for full discussions with their counterparts in Latin America. This approach was highly successful.

Approach of other Missions

Over recent years commercial missions have visited these Latin American countries, from several European and Far Eastern countries. These missions tended to over-stress somewhat the direct selling and commercial approach. Our approach created a much more favourable reaction, and a decidedly warm reception. Independent banking and business authorities in several of the countries indicated that our Mission had received by far the greatest governmental, commercial and press recognition of any overseas mission that had visited the country concerned, since the war.

Mr. Howe's Leadership

Great credit for the Mission approach followed, and the results achieved go to the Rt. Hon. C.D. Howe. He set a very friendly yet dignified standard in our contacts throughout the Mission's travels. His reputation as a great builder in Canada had preceded him to practically all countries, and his pleasing smile and friendly manner clinched an outstanding recognition for himself, and for the Mission throughout our trip.

Points stressed on the Mission

Mr. Howe and the Mission members stressed the following points:-

1. Canada, now the third largest trading nation in the world, second only to the US and the UK, is keenly interested in developing greater trade with each country on a long-term basis

2. Canada is interested not only in selling but equally interested in buying, realizing that trade has to be a two-way operation

3. That the economy of Canada is to a large degree, or almost wholly, complementary to most of the countries visited. We require constantly increasing quantities of such products as:-

a) Cotton

b) Coffee

c) Nuts of various varieties

d) Citrus and Tropical Fruits

e) Rubber

and despite our own increasing production in those fields, substantial quantities of petroleum for our eastern seaboard, and iron ore for our rapidly increasing steel industry

4. That Canada is in a position to supply not only newsprint, aluminum, grains, potatoes, apples, cod-fish, lumber and similar basic commodities, but also capable of shipping large quantities of heavy and light manufactured goods, definitely competitive in quality and price, as indicated by growing percentage of the latter type products in our total exports

5. Canada's organized interest in buying as well as selling was described and also specifically stressed in the form of invitations to various countries to send their own trade missions to Canada.

The above fundamentals were stressed in virtually all speeches. The very notable growth in production and consumption of Canada was explained, and their importance stressed as an indication of the great purchasing and supplying power that Canada represents for the producers and importers of the various countries visited.

Reactions to the foregoing specific approaches were most favourable. (See attached comments by countries.)

General Findings

Practically every country visited expressed a keen interest in developing direct shipments of their coffee, sugar or other products to Canada, rather than indirect shipping as prevails in some cases at present. The Mission concurred heartily in this.

Canadian Investments

These are very substantial in some of the countries, particularly Brazil through the Brazilian Traction, Venezuela; and to a degree, in Colombia and Mexico. The Latin American countries would all welcome more Canadian capital investment. Profit returns have been excellent in several of the Republics, and some members of the Mission took occasion to check investment possibilities for their own industries, and possibly for their counterparts in Canada.

Canadian Embassies and Trade Commissioners

The high standard of efficiency, good taste and energy displayed by our Embassies and Trade Commissioners was most impressive. The young men in the Trade Commissioner Service, many of them veterans of the army, navy or airforce, were outstanding in their assistance and cooperation with the Mission. And more impor-

tant, they displayed outstanding qualities of character, energy and capability in their activities within the various markets. Each of them spoke the language of his posted country, some with exceptional skill. They displayed also a good grasp of the psychology and basic character of the peoples in the different countries visited.

Conclusions

The Mission's effort was an exceptionally strenuous one but at the same time, interesting and inspiring. Each member of the Mission returned to Canada feeling that very worthwhile over-all results had been achieved by the Mission, highly pleased with the leadership and fine example of the Mission head, Minister Howe, and likewise pleased with the genial good nature, perseverance and adaptability displayed by each member of the Mission toward his fellow members, and to the contacts made at each city the Mission visited.

It is felt that strong and valuable impetus has been given to trade and cultural intercourse between Canada and Latin American. *The scores of fellow business men of the Mission members in Canada, should now see to it that the present excellent background for substantially increased trade with the Latin American countries is fully realized upon. Intelligent new or expanded effort on the ground is the means to this required follow through.*

F.L. MARSHALL

[PIÈCE JOINTE/ENCLOSURE]

Commentaires du président de l'Association canadienne interaméricaine

Comments by President, Canadian Inter-American Association

CANADIAN TRADE AND GOOD-WILL MISSION, COMMENTS BY COUNTRIES IN THE ORDER VISITED

Puerto Rico

Was the first stop on our itinerary. The visit was informal and unofficial. However, a fine buffet dinner was given the Mission by The Royal Bank in San Juan. The Mission members met leading Puerto Rican business men. Moving pictures were shown of the great developments in Puerto Rico since the war, and the keen interest in greater two-way trade was clearly indicated. The Mission made a short tour by automobile of central San Juan.

Brazil

This country was one of the high points of the Mission, which is understandable, as our two-way trade with Brazil is the largest of any country visited — close to $100 million in 1952. The Mission spent 3½ days in Rio, and three days in Sao Paulo. Contacts were complete and animated, with government, financial, industrial and commercial leaders of the country. The Mission was presented to President Getulio Vargas. An exceptionally fine press was had in Brazil. Mr. Chateaubriand, who has been termed the "Lord Beaverbrook of Brazil", and who is the owner of several leading newspapers and radio and television stations, took the Mission to his heart, as it were. He and Mr. Howe became great friends. He was also very

close to Messrs. Duncan and Ambridge. Mr. Chateaubriand rode on the Mission plane on its flight from Rio de Janeiro to Sao Paulo. Every phase of the Mission's activities, and statements of purpose, were widely publicized. One of Mr. Chateaubriand's papers photographed Mr. Howe with the subject title "The Churchill of Canada".

Very fruitful discussions by individual business men were held in Brazil, and the Secretary of the Wheat Board concluded substantial sales of wheat to the Brazilian Republic.

Careful discussions were held with the Brazilians on the matter of possible future purchase by Canada of Brazilian cotton. Questions of the grading of peanuts and other similar commodities were also reviewed. In a word, a foundation was laid, which if properly followed through upon by Canadian industry, should result in larger two-way trade with Brazil.

Argentina

A cordial reception was given the Mission by the Argentine Government. An interesting visit was had with President Juan Perón, and full meetings were held with leaders of government, banking, industrial and commercial circles in Argentina.

After two difficult crop years, the present year promises a bountiful crop for Argentina, which will go far to re-establish her international purchasing power.

The economy of Canada is somewhat more competitive with Argentina's than with those of the more tropically situated republics. Nevertheless, a large field for trade exists, and there are reasonable opportunities for building back Canadian-Argentine interchange to a considerably larger figure than that prevailing today. Argentina is keenly interested in expanding its commercial and cultural relations with Canada.

Uruguay

Here again there is some competition between the animal husbandry and agricultural production of Uruguay with that of Canada, but there are many fields in which two-way trade can be developed, and these were explored in interesting meetings with various sections of business and industry in Uruguay. The Mission had the pleasure of meeting the President of the Governing Commission of Uruguay. The two day and one night stay in Uruguay was busy, interesting and productive.

From Uruguay the plane flew all afternoon, with a one hour refuelling stop at Rio de Janeiro, and thence all night to Belem, Brazil, where a five-hour operational stop was had.

A take-off was then made for Port-of-Spain, Trinidad.

Trinidad

The Mission spent two days and one night here on an unofficial call. Fruitful discussions were held with Mr. Gomes, the head of the elected government, and with the alert and well-informed Sir Hubert Rance, Governor of Trinidad. Interest-

ing discussions were held on further liberalization of two-way trade, and in the inspection of the industry and commerce of Trinidad.

Venezuela

The Mission flew directly from Port-of-Spain to *Caracas*, and spent five busy days in this capital city of the thriving Venezuelan republic. Venezuela enjoys a very heavy export trade balance with Canada, due to our large imports of petroleum for the eastern seaboard. The republic is quite disposed to purchase more from Canada, and some of the business men of the Mission laid the foundations for rather substantial increases in their shipments to this country, particularly in the fields of powdered milk, pulp and paper, and perhaps spirituous beverages.

Maracaibo

Two nights and one day were spent in this thriving centre of the petroleum industry in Venezuela. A rather full inspection of Shell Oil camps and installations was made. The Mission members were guests at a joint meeting of the Chamber of Commerce, and International Rotary. Individual members laid plans for expanded sales to this booming city and its environs.

Colombia

The Mission flew from Maracaibo to Bogotá, Colombia, where a visit of three days and four nights was made. Colombians were outstanding in their hospitality. The Mission was received by the President of the Republic, and by the Secretary of Foreign Relations, who tendered a delightful Luncheon, attended by leading commercial, industrial and financial groups. Of outstanding interest in Colombia was our visit to the salt mines just outside Bogotá, on January 30, 1953. We were the luncheon guests of the President and Board of Directors of the Bank of the Republic. On this occasion, Mr. Frank L. Marshall presented a speech in Spanish on behalf of the Rt. Hon. C.D. Howe. This presentation gave a complete picture of industrial Canada today, and outlined the great market Canada constitutes for Colombian products, and its equal importance as a source of supply for Colombia. The mention of a recent initial purchase of 1500 tons of rice by Canada on this occasion, drew a warm response of appreciation from Colombian financial and business interests. A mimeographed copy of this speech is attached, together with copy of the *Montreal Star* comments of January 31, 1953.†

The Mission departed from Bogotá at 8 o'clock on Sunday morning, February 1st, reaching Barranquilla at 11 o'clock, where the Mission remained for a luncheon tendered by The Royal Bank, at the beautiful Hotel del Prado. Departure from Barranquilla was made at 3 o'clock for Ciudad Trujillo.

Dominican Republic

This country has progressed very substantially in its production, imports and exports, over the past decade. Canada established a Trade Commissioner's office in the Dominican Republic about a year ago, and two-way trade is developing rapidly with the Dominican Republic. The Mission arrived in Ciudad Trujillo at 5.45 and was entertained at three receptions from 6.15 until midnight. The first two by the cabinet officers of the Republic, and the third, a buffet dinner at the home of the

Trade Commissioner. At 7.45 a.m. the next day, the Mission drove out into the country to inspect the government operated sugar mill, which with additions now being completed, will be the largest sugar refinery in the world. The mill is modern, clean and efficient throughout, and is a great credit to the country.

Returning to Ciudad Trujillo at 9.30 a.m. the Mission placed a wreath at the tomb of the Liberator of the Republic, visited the President of the Republic, and then departed for Haiti at 10.30 a.m.

Haiti

Arrival 12 noon. After visiting the President of the Republic, the Chamber of Commerce, and the Minister of Foreign Relations, the Mission was tendered a delightful and most ample Luncheon at the Sans Souci Hotel, by the business and financial community of Haiti. A speech in French was made on this occasion by Mr. Jean-Marie Bonin. Mr. Bonin's presentation was received with interest and warmly applauded. After the luncheon the Mission was shown one of the attractive new mountain-side hotels, and visited the mountain-side residence of the Minister of Foreign Relations, and departed at 5 p.m. for Havana, Cuba.

This particular 24 hr. itinerary (5.45 arrival Ciudad Trujillo — 5 p.m. departure Haiti) was perhaps a little more strenuous than the general run of itineraries of the Mission, but not a great deal more so.

Cuba

The Mission was received at a most pleasant interview by President Batista of Cuba, who spoke to us in English. He was keenly interested in the development of closer relations between Cuba and Canada, as were the various ministers, commercial and industrial groups with whom we conferred over the next three days. Our two-way trade with Cuba is substantial. The Royal Bank of Canada gave a Luncheon at the Havana Tennis Club, attended by over 150 guests. From Cuba the Mission flew to Mexico, arriving on the afternoon of February 5, which was a legal holiday.

Mexico

The Mission was conducted by motor cycle escort to its headquarters in the Reforma Hotel, which incidentally is managed by a former Montrealer, Mr. Ray Frappier, who headed the LaSalle Hotel in Montreal for many years. Needless to say, Mr. Frappier gave the utmost attention and consideration to the Mission.

Our programme in Mexico was particularly active and effective. Interesting meetings and discussions were held with the Bank of Mexico, the Chamber of Commerce (which wishes a special liaison committee with the Canadian Chamber of Commerce), the Association of Importers and Exporters, and with leading Government ministries and other business groups. President Ruiz Cortines received the Mission and showed the same keen interest in its visit and activities as displayed by business and industry. Most Mission business men found new or continued active interest in their lines in Mexico, and made arrangements for expanded effort. Means to a direct west coast shipping service between Canada and Mexico were discussed. Mexico is also much interested in direct air connections with Canada.

Through Canadian Pacific Airlines service between Mexico City and Vancouver will soon be inaugurated.[2]

The Mission was delightfully entertained in Mexico by the Ambassador, First Secretary and Trade Commissioner, and by Sr. Salvador Ugarte, dean of Bankers in Mexico. Also by the Distributors for products of some of the Mission members.

The Mission departed from Mexico City on the morning of February 10 on a bright sunny day, with a feeling of genuine accomplishment from its 5 day visit to Mexico, and the five week tour of Latin America. Many important government and business people saw the Mission off to Canada.

SECTION B

ORGANISATION DES ÉTATS AMÉRICAINS
ORGANIZATION OF AMERICAN STATES

1090. DEA/2226-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Assistant Under-Secretary of State for External Affairs to Under-Secretary of State for External Affairs

SECRET Ottawa, February 23, 1953

I am attaching hereto a few comments on the Organization of American States which have been prompted by my visit to Latin America. I know that Canada's attitude towards the Organization raises difficult and complex problems; I am not in a position to give an answer to many of them. The attached notes, however, might serve as a basis for discussion and it is in that spirit that they are submitted to you.

Other chapters of my "magnum opus" on Latin America will be forthcoming in the near future.[3]

J. L[ÉGER]

[PIÈCE JOINTE/ENCLOSURE]

Commentaire du sous-secrétaire d'État adjoint aux Affaires extérieures

Comments by Assistant Under-Secretary of State for External Affairs

SECRET

THE ORGANIZATION OF AMERICAN STATES

The problem of Canada's association with the Organization of American States has not been raised officially during the visit of the goodwill Mission to Latin

[2] Les documents 556-581./Documents 556-81.

[3] Non retrouvés./Not located.

America. A few newspapermen here and there asked the odd question about the attitude of Canada on this matter but no real interest was shown either by the press, Government officials or private individuals we happened to meet. There was much more interest shown in Canada's role at the United Nations, centering particularly on Mr. Pearson's Presidency and on our participation in the Korean conflict than there was on the Pan-American issue.

Our Heads of Missions on the other hand, at least those that were willing to be drawn out of the usual clichés, held varying opinions. General LaFlèche told me that he feels that Canada should join the Organization to help combat Communism and the influence of General Perón[4] throughout Latin America as well as to give a helping hand to the United States within the Organization. Mr. Hébert on the other hand pointed out that in his view it would be useless to join the Organization until we had made up our minds that Latin America should become a major field in Canadian policy and economy.

This situation coupled with the interest shown in Washington about our eventual role in the Organization should prompt us to review our position on that question.

At present our policy, in summary, is that we are quite happy to remain outside the Organization, that we should do nothing to encourage an invitation but that if an invitation were unanimously addressed to Canada by Member States we could not very well turn it down. The reasons advanced for this lukewarmness towards the OAS have not varied much over the years. They are those that were advanced ten years ago. The situation, however, has changed in some respects.

The main change is probably related to our trade with Latin America. We have now passed the $500,000,000 a year mark and look forward to increasing that trade as rapidly as possible. The general line taken up till now is that the fact that we do not belong to the OAS has not prevented the growth of our commercial relations with Latin America. There is a more positive way to envisage the situation: would our being associated with the Organization actually help further our commercial interests in that part of the world? Competition is getting more and more keen, particularly from European countries, and there is little doubt in my mind that we would be helping at least indirectly Canadian trade if we were more forthcoming in our position about the OAS. There is a psychological factor here which cannot be weighed in dollars and cents but which nevertheless has some importance.

A second reason why Canada's attitude vis-à-vis the OAS should be reviewed is found in the opening of the three new missions we have recently established in Colombia, Venezuela and Uruguay. The more missions we have in Latin America the more interest will be shown in our joining the Association. The initiative of one Latin American country would be sufficient at any Organization meeting to create an atmosphere leading to a unanimous invitation. It would be odd indeed if while opening new missions on the one hand we were less forthcoming about our joining the Union on the other. We are more exposed today to a unanimous invitation than we were before opening the three new missions.

---

[4] Général Juan Domingo Perón, président de l'Argentine.
General Juan Domingo Perón, President of Argentina.

The third consideration relates to the advantages of working as closely as possible with Latin American countries in order better to bring their policies in line with our own at the United Nations. The Latin American countries are becoming more and more aggressive and more and more independent of United States leadership at the United Nations. This trend will probably continue to develop and the only way it can be checked is to create an understanding in as many spheres as possible between their interests and ours. While there might not be much direct discussion of United Nations problems during meetings of the OAS, there are nevertheless certain issues which are closely related and those issues are discussed often by men, particularly government officials, who also represent their country at the United Nations. Never before have we had so close contacts with Latin American representatives as we are maintaining in New York. These contacts should even be more intimate than they are now. They would become easier if they were intensified by our association with the work of the OAS.

Fourthly, we often use the argument that it is better for us not to join the OAS because, were we to join, the Latin Americans would then realize that our connections with the United States are of such a nature that we could never take a different line from that adopted by Washington. This theory is not particularly applicable to the OAS and there is no more danger of such a situation developing there than there is in NATO or in the United Nations. Our relations with the United States are of such an intimate nature that they will always influence profoundly our relations with any other country or alliance.

It may be that because of the reasons mentioned above there should be a change of emphasis, if not of policy, in the way we envisage our relations with the OAS. I suggest that we might be more forthcoming than before in our approach to that problem. I see, for example, that in the last Circular Despatch sent to our Missions in Latin America on this subject, it is said that "you will appreciate that discussion of the question at this stage with officials of the OAS or any governments that are members of the Organization would not be desirable since it might well lead to additional pressure for us to send observers to the 1953 Conference before the Canadian Government has had an opportunity to formulate views on the matter". As a result our Heads of Missions make it a point not to mention the problem. This is rather unhealthy since it could very well convey the impression generally that we are ignoring the OAS altogether. Either the Latin American countries take the OAS seriously and then they feel slighted by such an attitude or they don't and then there would be no discomfort to discuss it.

From what I have heard, the issue is not very much alive; this is a further reason why we might be more forthcoming than before if and when it is raised. We need not give the impression that we are begging for an invitation but we could give the impression that were it to come it would be seriously considered bearing in mind our other commitments and interests.

This is suggested mainly because there is always a danger that too negative an approach is harmful to the sort of cooperation we want to develop with Latin American countries individually. We might have reached the stage where we could allow our Heads of Missions and the Department more freely to discuss the matter

and listen to the reasons advanced by those parties interested in our joining the Association.

I have not commented on the specific problem of whether or not we should discuss the matter of advising the State Department that we would accept to be represented as an observer at the OAS Conference to be held this fall since I gather that the American Division will be looking into the matter in the near future. It could be inferred, however, from the remarks made above that I would be in favour of accepting the role of observer for the Conference. If we could maintain our status of observer for the next ten years, without being pressed into actual membership, I would have little hesitation in recommending that it be accepted. Whatever way we look at our relations with Latin America during the next ten years, I feel that it is in Canada's interest that they become more intimate. The argument in favour of an increase of our trade need not be repeated although it cannot be too strongly emphasized. We must maintain and even increase our exports if we are to keep a healthy economy and there are few if any markets in the world so rich as those found in Latin America. Come an intensification in the cold war and even actual global war we would need all the support we could muster from that part of the world; come a more happy period we will still need the markets. In my opinion, we cannot lose if we play the Latin American card and it is not too difficult a card to play. If a more forthcoming attitude towards the OAS helps us at all in this respect I submit that we should adopt it.

1091. DEA/2226-40

Note du sous-secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum from Under-Secretary of State for External Affairs
to Assistant Under-Secretary of State for External Affairs

SECRET Ottawa, February 26, 1953

THE ORGANIZATION OF AMERICAN STATES

I have read over with interest the memorandum attached to your memorandum of February 23rd and in which you give a few comments on Canada's attitude towards the Organization of American States.

2. I think the arguments you advance in favour of Canada's association in some form or other with the Organization of American States have a great deal of validity. The only question in my mind is whether or not we are yet ready for this step. I cannot detect any interest whatsoever among the Canadian public in favour of Canada being associated with the Organization of American States. Any move in this direction therefore would not be likely to have much popular support in spite of all the arguments we could advance about the advantages we would be deriving by becoming associated more closely with the Latin-American countries. At the same time there would be a section of Canadian opinion which would feel that this move was another step in the direction of weakening our ties with the Commonwealth. Even though it might be easy to counter such an argument, I fear the net result

would be that the association of Canada with the Organization of American States would give rise to some unfavourable comment and this would not be compensated for by much favourable comment.

3. Given this situation something can be said for our policy in lying low and doing nothing to encourage an invitation for Canada to join the Organization of American States or even to be associated through the sending of an observer to the next conference.

4. I must admit that you have put forth the best case I have yet seen in favour of a more active policy and your memorandum should help to provoke a good deal of thinking by the senior officers of the Department. Perhaps when they have had an opportunity of thinking over what you have written we might have a thorough discussion of this whole subject.

L.D. W[ILGRESS]

1092. DEA/2226-40

Note du secrétaire d'État aux Affaires extérieures pour le sous-secrétaire d'État aux Affaires extérieures

Memorandum from Secretary of State for External Affairs to Under-Secretary of State for External Affairs

CONFIDENTIAL New York, March 9, 1953

INTER-AMERICAN CONFERENCE

Recently both Mr. Dulles and Mr. Lodge have mentioned to me the possibility of Canada sending an observer to the forthcoming Inter-American meeting which is being held, I believe, at Cuba.[5] I gave a non-committal but sympathetic response to the suggestion, which is one that we should give serious consideration to.

I shall want to discuss this matter with you on my return.

L.B. P[EARSON]

[5] Dans l'original, le mot «Cuba» est biffé et le document porte l'annotation marginale suivante:
In the original the word "Cuba" is crossed out and the following is written in a marginal note:
Caracas, Venezuela, scheduled for October 1953, postponed till Feb[ruary]/March 1954. W.G. S[tark?]

1093. DEA/2226-40

Note du sous-secrétaire adjoint aux Affaires extérieures

Memorandum by Assistant Under-Secretary of State for External Affairs

SECRET Ottawa, March 12, 1953

(For Mr. Léger)

THE ORGANIZATION OF AMERICAN STATES

I do not altogether agree with the arguments in your undated memorandum on this subject. It is certainly true that the trade side of our relations with Latin American countries is the most important aspect of our policy. I think, however, that one can only speculate in very general terms about whether membership in the OAS would do anything to increase the trade figures. There is certainly something to be said for the point of view that in hard-headed business transactions the Latin Americans are not likely to place undue importance on membership.

2. One of the things that has always troubled me about Canadian membership in the OAS is that we might find ourselves in the uncomfortable position of having to take sides with either the United States or the Latin bloc. I suspect that the line between the United States and the rest is more sharply drawn in the OAS than in any other organization to which we belong. In the United Nations and in NATO there is a shifting and regrouping of interests, so that sometimes we are with the United States and sometimes in opposition. It would be a very heavy responsibility to assume the role of "mediator" or "interpreter" between the United States and the Latins. It should not be overlooked that one reason which has impelled Latin American countries to think seriously about our membership in the OAS is the desire to have a counter-weight to the United States.

3. In addition to the absence of much enthusiasm in Canada for this move, there does not seem to be a great deal of enthusiasm in Latin America either. It seems to me that a prerequisite for our joining should be a pretty definite demand by opinion in both areas. As far as Canada is concerned I think there has been more interest shown in the House of Commons in recent years in our joining a Pacific pact than in our joining the OAS. Mere token membership in anything is pretty unsatisfactory. If there is not much interest in Canada and if membership serves no real needs the danger is that we sit at the table, go through a few vague motions and look rather ridiculous.

4. I do agree that we should not be as coy about the subject as we have been in the past and that there is no reason why the topic should be avoided in discussions with Latin Americans. In fact, it would be interesting to have an assortment of their views as to why they would or would not like to have us in the Organization. I think it would be well worth while to seek the Minister's approval for a rather more open-minded attitude and communicate this to our Missions as well as using it in our discussions here with Latin American Missions.

R.M. M[ACDONNELL]

1094. DEA/2226-40

Le secrétaire d'État aux Affaires extérieures au représentant permanent auprès des Nations Unies

Secretary of State for External Affairs to Permanent Representative to the United Nations

TELEGRAM 129 Ottawa, March 18, 1953

RESTRICTED. IMMEDIATE.

CANADA'S OBSERVER STATUS WITH THE ORGANIZATION OF AMERICAN STATES

Following for Minister from Wilgress, Begins: When in Ottawa you mentioned that Messrs. Dulles and Lodge had referred to the possibility of Canada attending as an observer the next Inter-American Conference of the OAS in Caracas.

2. From our point of view in the Department we would hope that a decision could be postponed for at least a few months.

3. My reasons for suggesting this are, firstly, that the Conference itself (which was due to be held in the fall of 1953) has now been postponed until February or March 1954. It would seem safer to await until we are closer to the time of the Conference before making a firm decision concerning this quinquennial meeting. A second reason is that a departmental study on the OAS has just been undertaken. It seems necessary to know fully the implications of Canadian participation in the OAS before taking a step — such as attending as an observer — which would bring Canada much closer to this organization.

4. I suggest, therefore, that, if the matter is raised by either Mr. Dulles or Mr. Lodge, you might wish to tell them that the Department is giving serious consideration to the proposal that Canada should attend as an observer the Tenth Inter-American Conference of the OAS but that, in view of the change of date for the opening of the meeting, there appears to be less urgency in coming to a decision.[6]

---

[6] Pour une déclaration du premier ministre Saint-Laurent sur la politique du Canada à l'égard de la participation du pays à l'Organisation des États américains, voir Canada, *Débats de la Chambre des communes*, 1952-1953, volume IV, 27 mars, p. 3531.
For a statement by Prime Minister St. Laurent on Canada's policy on the question of participation in the Organization of American States, see Canada, House of Commons, *Debates*, 1952-1953, Volume IV, March 27, p. 3341.

1095. DEA/2226-40

Le chef de la délégation à l'Assemblée générale des Nations Unies au secrétaire d'État aux Affaires extérieures

Chairman, Delegation to the General Assembly of the United Nations, to Secretary of State for External Affairs

TELEGRAM 97 New York, March 19, 1953

RESTRICTED

CANADA'S OBSERVER STATUS WITH THE ORGANIZATION OF AMERICAN STATES

Reference: Your telegram Permdel No. 129 of March 18.

Following for Wilgress from the Minister, Begins: I agree with course recommended in above-mentioned telegram. Ends.

1096. DEA/4035-40

Note du chef de la Direction de l'Amérique

Memorandum by Head, American Division

CONFIDENTIAL Ottawa, September 14, 1953

ORGANIZATION OF AMERICAN STATES

In the course of a conversation which I had with Mr. Heitor Lyra, the Brazilian Ambassador, who had come to see me in order to introduce his new secretary, Mr. Mario Calabria, Mr. Lyra enquired whether, should the Council of the Organization of American States establish a category of Observer States (i.e. Canada), Canada would be prepared to attend as an Observer the Tenth Conference of OAS at Caracas on March 1 next. Mr. Lyra stated that the Brazilian Ambassador to OAS in Washington had made this enquiry of him.

2. I said to Mr. Lyra that I did not quite know whether Canada would, under the circumstances outlined by him, attend as an observer. We had not yet thought the matter through. Mr. Lyra pointed out that a proposal to establish a status of Observer States to the OAS would meet with general approval though personally he thought that Argentina and Guatemala, for instance, might raise some slight objections on the basis that Canada should come in either as a full member or not at all. Mr. Lyra thought that once Canada became an Observer State it would, sooner or later, feel the necessity of joining the OAS, but he would not make any assessment of the time factor. Mr. Lyra thought that the United States would much welcome Canada's participation in the OAS, since Canada would then help to interpret the USA to Latin America. I pointed out that we could readily see this role of a catalyst, a role which was fairly important but did require a continuous provision of energy if the role is to be played at all! In fulfilling such a role on occasion, we had found that it made heavy calls upon our Departmental energies and expansion could not be lightly contemplated. I also said that Canada might find it embarrass-

ing to have to opt either for the Latin Americans or for the United States in a manner which might offend either group. Mr. Lyra said that in the political field no commitments would require to be undertaken by Canada. (Presumably he meant that Canada could always make reservations to treaties giving rights or imposing obligations). As for hemispheric defence, he could not see that Canada would have anything to do in South America. Canada is inextricably bound, it is true, with the USA for defence of North America, but that is the situation which obtains today. Mr. Lyra thought that our main interest was in the economic field and that the OAS might be of some use.

3. I dwelt (as indeed did Mr. Stark)[7] upon some of Canada's potential domestic political difficulties concerning Canada's membership in the OAS. These difficulties stem mainly from indifference of the Canadian public to the OAS, due possibly to lack of knowledge. It was not likely, under present circumstances, that the Government would wish to join the OAS outright. As to being an Observer State, we would have to consider the matter seriously in the not too distant future and Mr. Lyra could rest assured that he would be among the first to know of our views on this subject once we come to a decision.

E.A. C[ÔTÉ]

1097. DEA/2226-40

L'ambassadeur au Venezuela
au secrétaire d'État aux Affaires extérieures

Ambassador in Venezuela
to Secretary of State for External Affairs

DESPATCH 370 Caracas, October 20, 1953

10TH INTER-AMERICAN CONFERENCE OF THE OAS — COLONIES OF EUROPEAN COUNTRIES IN SOUTH AMERICA

Reference: My despatch No. 267 of December 30, 1952.

In my despatch under reference, I gave you my preliminary views on the desirability of Canada accepting observer status at the 10th Inter-American Conference of the Organization of American States, which is being held in Caracas in the spring of 1954.

2. It was then my view that it would be undesirable for Canada to accept observer status since this would materially weaken our position when the question of our full membership in the OAS was subsequently raised. I still believe that full membership may not be in Canada's interest since, on most major issues where the United States and the Latin-American group differed, we would be placed in the unenviable position of losing rather than gaining friends by our support of either side. I believe that it would be most difficult and embarrassing to decline an invitation to

[7] W.G. Stark, chef de la section de l'Amérique latine, Direction de l'Amérique.
W.G. Stark, Head, Latin American Section, American Division.

join and, in my opinion, the receipt of such an invitation would be a logical result of our acceptance of observer status at the forthcoming conference. With your despatch No. X-179 of October 28, 1952, you sent to the Consulate General here a State Department memorandum of September 3, 1952, which discussed observer status for Canada at the Conference. I believe that the reasons advanced by the State Department for our acceptance are inconclusive arguments why we should get involved.

3. I am more strongly than ever of the opinion that it would not be in Canada's interest to accept observer status. I have had this confirmed by the Venezuelan reaction to the recent political difficulties in British Guiana. The press has given considerable front-page publicity to the United Kingdom Government's handling of the situation there and most reports have been based on the premise that European countries have no right to have colonies in the Western Hemisphere. By chance, I had no matters to take up with Dr. Otañez,[8] the Foreign Minister, at his regular Wednesday afternoon meeting with members of the Diplomatic Corps which was held on October 14 and, consequently, I did not attend. Apparently, members of the press were waiting at the Foreign Ministry and, as each Ambassador or Minister came out, they were asked to give their views on the political situation in British Guiana. The following day these interviews were front-page news and I was pleased that I was not placed in the awkward position of having to make a statement. In this connection, I assume that in due course I will be receiving the Government's views on the situation. Since Canada has such a large investment in British Guiana, it is only reasonable that at some time I will be asked the Government's views and I would like to know how you wish this dealt with.

4. On Friday evening, October 16, the Foreign Minister, Dr. Otañez, called a special press conference and made a statement concerning Venezuela's attitude on the situation in British Guiana. I am attaching hereto a translation of Dr. Otañez' remarks† and you will note that he stated the Venezuelan "government confirms its conviction that to-day more than ever the existence of vassal countries and the continued existence of a colonial régime is inappropriate within the boundaries of the Americas." He reiterated this point in answers to questions following the handing out of the communiqué by saying that "colonies must disappear from the Americas", although he qualified this in a later statement that they must disappear "without violence through the self-determination of peoples". He also stated that it was his opinion that the whole question of European colonies in South America would be discussed at the 10th Inter-American Conference and that, while Venezuela would not itself raise the question, the government was disposed to support any motion condemning the existence of European colonies.

5. I believe that it is likely that considerable discussion will take place at the 10th Conference on the question of the European colonies in South America and it is but one of the problems that Canada would find embarrassing should she be a full member of the OAS. I visualize that this and other similarly awkward questions will be raised periodically and it strengthens my belief that we have little to gain

---

[8] Aureliano Otañez.
Dr. Aureliano Otañez.

and, possibly, much to lose by joining the OAS. After all, being members of the United Nations and NATO, it would appear that in these we can cover matters of prime political concern as affecting ourselves and South America. I do not believe that Canada's trade with Latin America will be prejudiced by not joining the OAS, since it is my impression that those countries are inclined to deal with the country which will make the better deal or a more convenient deal, such as on a barter basis; nor do I think our trade will be increased by joining.

C. LANGILLE
for Ambassador

1098. DEA/2226-40

L'ambassadeur au Mexique au secrétaire d'État aux Affaires extérieures

Ambassador in Mexico to Secretary of State for External Affairs

DESPATCH 569 Mexico, December 17, 1953

CONFIDENTIAL

ORGANIZATION OF AMERICAN STATES

Reference: My Telegram No. 9 of November 27th.†

There is still little indication of public interest here in the Tenth Annual Conference to be held at Caracas next March. The agenda of the conference, which became publicly available at the end of October, was published in full by the leading newspapers. Very little was written about it editorially.

2. The air telegram under reference was sent because we are now within less than three months of the opening of the meeting in Caracas and, as yet, we have no indication of the final decision on the question of Canada's acceptance or non-acceptance of the status of observer, nor have we been asked to make any sounding about the Mexican reaction to this invitation.

3. In the absence of any knowledge of Canada's intention, room is naturally left for speculations. For example, there was published here on November 29th a dispatch from the United Press which includes the rather misleading remark that "it is understood that the present Canadian government prefers closer ties with the Commonwealth to a direct political association with the American republics within the inter-American regional system". I attach a translation of the item in case you have not seen it.†

4. I do not intend to go into the merits of our association with the OAS in this despatch. There is one point, however, which I feel compelled to make: it would be a serious mistake to turn down an invitation for observer status sponsored by Washington for reasons which date from pre-war days. The world, as well as Canada's and Latin America's positions therein, has changed so much during the last two decades or so that what may have been valid at that time may no longer hold good to-day. United States policy towards Latin America is more cooperative and flexible, thus reducing the possibilities of friction; our trade has increased more than

ten-fold but competition, particularly from Continental European countries, is becoming keener; our diplomatic relations already cover a good part of the continent; the Latin American bloc, particularly in the field of economics and international finance, is becoming more and more restive at the United Nations, and even the political leadership of the United States is at times questioned. These, and other factors, must be taken into consideration when discussing this problem.

5. There may, however, be other valid reasons why an invitation to accept observer status should not be encouraged at this time. I doubt that the reason advanced by the Canadian Ambassador in Venezuela in his despatch No. 370 of October 20th is one of them. Personally, I also believe that the line taken by the United Press correspondent in the attached article is misleading although one must recognize that, in view of the lack of guidance in this matter, any interpretation is as good as the other.

6. These considerations are motivated by the fact that too negative an approach to this problem may be harmful to the sort of cooperation we want to develop with Latin American countries individually. Whatever way we look at our relations with Latin America over the next ten years or so, I feel that it is in Canada's interest that they become more and more intimate. If a more forthcoming attitude towards the OAS helps us at all in this respect, then the most serious consideration should be given to the invitation which has been extended to the Canadian Government by the State Department.

JULES LÉGER

2e PARTIE/PART 2

RELATIONS AVEC DES PAYS PARTICULIERS
RELATIONS WITH INDIVIDUAL COUNTRIES

SECTION A

BRÉSIL: ARRIÉRÉS COMMERCIAUX
BRAZIL: COMMERCIAL ARREARS

1099. DEA/2588-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur au Brésil

Secretary of State for External Affairs to Ambassador in Brazil

TELEGRAM 53 Ottawa, August 20, 1953

CONFIDENTIAL

COMMERCIAL ARREARS

The debts owed by Brazil to Canadian firms are now estimated at about $12 million, of which about $4 million represent amounts covered by the Export Credits Insurance Corporation. These debts are mostly in US dollars and form part of the

approximate global figure of $400-450 million owed by Brazil on US dollar account. Some exchange was gradually being released by Brazil in payment of Canadian accounts up to March 1953 but since then such payments have ceased. (However a few debts were settled at the time of the payment of the first two $60 million dollar instalments of the Export-Import loan, presumably because of difficulties in segregating Canadian from US accounts.)

We are concerned lest Brazil's preoccupations with United States indebtedness and her negotiations over the Export-Import loan, as well as similar negotiations with other countries, may tend to give priority to these debts; and that if no action is taken by Canada, the payment of Canadian accounts will be delayed indefinitely and considered together with remaining miscellaneous dollar debts.

It has therefore been decided that we should make formal representations to the Brazilian Government. I should be grateful if you would present the following note to the Foreign Ministry as soon as possible.

Text of note begins:

The Canadian Embassy presents its compliments to the Ministry of Foreign Affairs and has the honour to refer to the long history of close and friendly trade relations between Brazil and Canada. These cordial relations and the desire of both countries to expand and develop their mutually advantageous trade were warmly reaffirmed during the visit to Brazil early this year of the Canadian Goodwill and Trade Mission headed by the Rt. Hon. C.D. Howe.

The Canadian Government is aware of the serious exchange difficulties which during the past few years have tended to delay payments for Brazilian imports from other countries, including Canada. The amounts owing to Canadian firms are believed to be in the neighbourhood of $10 million, and relate to shipments made as far back as the latter part of 1951 and through 1952. This estimated total, though relatively small, represents of course a very substantial commitment for the Canadian suppliers concerned.

Canadian exporters with outstanding accounts in Brazil had expected that the recent measures undertaken by the Brazilian Government would have led to an accelerated rate of repayment. Unfortunately, such is not the case. On the contrary, while funds had previously been released from time to time by the Bank of Brazil in partial settlement of overdue Canadian accounts, since March of this year there has been an almost complete cessation of such interim payments. Canadian suppliers have thus been placed at a further disadvantage in recent months vis-à-vis their competitors in the Brazilian market.

The Canadian Government is confident that the Brazilian Government, in releasing funds in settlement of commercial arrears, does not intend to place Canadian suppliers in a position less favourable than heretofore. In consequence, the Canadian Government wishes to bring this matter to the attention of the Brazilian Government in the hope that the Brazilian Government will take steps to ensure that settlement of arrears on goods of Canadian origin will be resumed as soon as possible, thereby correcting a harmful situation and protecting the long-run trade interests of both Canada and Brazil. Text ends.

1100. DEA/2588-40

L'ambassadeur au Brésil au secrétaire d'État aux Affaires extérieures

Ambassador in Brazil to Secretary of State for External Affairs

TELEGRAM 49 Rio de Janeiro, August 27, 1953

CONFIDENTIAL

COMMERCIAL ARREARS

Reference: Your telegram No. 53 of August 20.

Note delivered personally to the Chief of the Economic Division Ministry of External Relations, August 25th. His only comment without reading the note was, does it suggest any method of settlement.

1101. DEA/2588-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur au Brésil

Secretary of State for External Affairs to Ambassador in Brazil

TELEGRAM 64 Ottawa, November 3, 1953

CONFIDENTIAL

COMMERCIAL ARREARS

Reference: Your telegram No. 49 of August 27th.

We are concerned that there has been no reply to our last note on this subject. We have observed that, apart from its use of funds from the Export-Import bank loan, Brazil is also reported to be drawing on its own dollar resources for the settlement of arrears and that, under the new Brazilian import and exchange regulations, 30% of all exchange earnings are being set aside for debt liquidation. In addition, it would appear that arrears owing to United States exporters are being progressively liquidated and that Brazil has agreed to settle outstanding debts owing to the United Kingdom.

In the circumstances, Canadian exporters are at a serious and growing disadvantage with respect to their competitors and we feel that further early representations are desirable.

It would be appropriate if you could approach the Brazilian authorities as soon as possible after you have presented your credentials to express the concern with which the Canadian Government views the long delay in settling debts owing to Canadian exporters and to express our hope that it may soon be possible for the Brazilian authorities to resume payment of Canadian accounts. In general, we suggest that it would be advisable to follow substantially the same line adopted in our last note (the text of which was contained in our telegram No. 53 of August 20.)

In our view the Brazilian authorities could meet these outstanding amounts without imposing too great a strain on their dollar resources. Undoubtedly, they would probably like to bargain with us about some form of financial assistance but this should be resisted. You might wish to point out, however, that, although commercial credits have been extended from time to time, financial assistance of this sort will become more difficult if outstanding obligations are not met. Consequently it would be in Brazil's interest if action could be taken to meet outstanding obligations to Canadian exporters.

1102. DEA/2588-40

L'ambassadeur au Brésil au secrétaire d'État aux Affaires extérieures

Ambassador in Brazil to Secretary of State for External Affairs

TELEGRAM 63 Rio de Janeiro, November 17, 1953

CONFIDENTIAL

COMMERCIAL ARREARS

Reference: Your telegram No. 64 of November 3rd.

1. You asked me in above telegram to raise the question of our commercial arrears with Brazilian authorities. I raised it during my official call on November 13th with the Minister of Finance, Dr. Oswaldo Aranha.

2. Aranha, called to office four months ago by President Vargas to rescue Brazil from her financial difficulties, has in his four months of office introduced a number of sweeping measures, including the Aranha plan for auctioning off foreign exchange to importers.

3. While the effects of his involved activities on economy are still obscure, one evident result is that he has become the man of the hour in Brazil and a favoured contender for the presidency in the 1954 elections.

4. As he has no colleague of anything like his stature or influence in the cabinet, everyone with a cause or a complaint knocks at his door; and he has not had time to build up a dependable staff; he himself makes most of the decisions. He is frantically busy and he is terribly harassed perhaps in part by fear of (group corrupt) manipulation, and special arrangements he has chosen may be beyond him for all his skill and adroitness.

5. He has these qualities and courage, intelligence and experience as well. He planned the revolution that led Vargas to power in 1930. He has been Ambassador to the United States, President of United Nations Assembly and has held many important cabinet posts. But the task he now struggles with calls for self-discipline, restraint, consistency; good sober judgment and a sure sense of economic values. He may never have need for these qualities as much as he needs them now: there are indications he may not have acquired them.

6. There are in particular his erratic and puzzling statements on foreign investments in Brazil, on which I will report separately. He has attacked specific United

States companies for what he says are specific abuses. He has been quoted as going so far as to try to deprive foreign investors of any credit for economic development of Brazil, though he has denied it. In one way or another his most extreme remarks have been explained away or toned down. Sometimes, as in the latest *New York Times* incident, he has done it himself: but others including victims themselves of his attacks have done it for him.

7. They are ready, even eager, to make allowances for Aranha because they think he is the best man in sight for Brazil and for foreign interests here, political and economic.

8. Because of this background, I decided I would try to use my official call for more than the customary formal exchange of politenesses. What little hope we have rested, I felt, with him and not in importuning helpless officials of Foreign Ministry to whom we put in our note and who have for three months left it unanswered.

9. Aranha received me for half an hour in an intimate, direct way that made it easy for me. I have no doubt he did so because of your letter to him about me. Aranha began by mentioning it, speaking in warmest and highest terms of you and I know he has mentioned the letter to others in and out of government.

10. I found Aranha not only ignorant but I consider (group corrupt) about the way Canada trades with the world and the way Brazil trades with Canada. He did not know that we dealt in United States dollars. He thought his own exchange would not allow Brazilians to buy Canadian goods with United States dollars they bought at auction.

11. His ignorance about Canada was not [a] complete surprise to me. When his plan was introduced, we had to induce the Bank of Brazil to telegraph all agencies that United States dollars *could be* used for Canadian purchases, to correct the impression Aranha had created when answering questions about his plan in the House.

12. I had first to explain to him how his plan worked for Canada: that Brazilians could (group corrupt) United States dollars for Canadian imports. I said that this meant, in the last analysis, that Canadians competed directly with United States produce markets for limited supply of United States dollars the Brazilian importers had at their disposal; that we accepted this stiff competition but could not afford to work under any disadvantage vis-à-vis our United States competitors or those of any other country. Canadian traders *were* at the moment under a disadvantage in that the commercial arrears totalling some eleven million dollars were unpaid from April, 1952, while Brazil was to some extent paying other creditors out of her own resources under one scheme or another — the loan agreement with the United States, the settlement with the United Kingdom and agreements of various descriptions with other countries.

13. When payment was being made out of proceeds of a loan, as from 300 million dollars from United States there was little practical point in our complaining about it. It happened that we could not lend to Brazil because we were not like the United States a creditor country. Like Brazil we needed capital. (I think it is time that the Brazilians be given to understand we will not lend them money. I suspect they have been vague hoping we might and that [the] longer arrears remained un-

paid the better the chances. We have been making our position quite plain to Brazilian officials).

14. When, however, payments to any country were made out of Brazil's own resources we felt we too should receive our share particularly when payments to some countries were made in return for treatment which we had freely given to Brazil without driving a bargain for it. Other countries whose markets were guarded by restrictions could demand their price for granting Brazil access to it. Others with exchange control could bargain with granting of exchange to their importers, who wanted trade with Brazil. Stating traders have their weapons too, which we do not use like in saying to our coffee importers that they should hold up their purchases, amounting to over twenty million dollars a year, until we could come to terms with Brazil. We made exchange freely available: we offered Brazil an open market, simple customs procedures and a low tariff, on the whole far lower than the United States. We should not be penalized on this account. It was in Brazil's interests to treat a country that acted as we did favourably, as an encouragement to others to follow our lead: against her interests to put us at a disadvantage.

15. I suggested now was a profitable moment for Brazil to begin payments to us. The Aranha plan, though it had not put Brazil in funds, opened new prospects and gave a fairer chance to all to enter the Brazilian market. On the strength of Aranha's actions, we were advising all Canadian firms interested in Brazil to take a new look at prospects under his plan. A beginning on arrears would be an added stimulus to trade. For a small outlay, a fair share of what Brazil is devoting to such payments from her own resources, she stood to benefit, perhaps even in direct commercial credits, far more than she stood to lose.

16. Aranha said it was time Brazil gave some thought to Canadian case. He certainly saw no reason for Canada being at a disadvantage for he thought Brazilians might prefer to deal with Canada. But Brazil's position was bad; far worse than he had thought when he took office. (I will send you data separately). The terms of American loans weighed very heavy. True, the original terms have been modified: the date of beginning of payments had been deferred; but payments have been compressed into shorter periods. He seemed to resent it as a hard bargain. Nevertheless, he would see if anything could be done and would discuss it with his advisers. I expect to hear within the next few days.

17. Because Brazilian foreign exchange outlook is so dark I am not hopeful, still there is an outside chance that Aranha may see fit to make some payments on our accounts. If he does not I think we will have to let the matter rest for a while. There seems no point in forcing the Ministry of External Relations to answer our old note. Without Aranha's consent there is nothing they can do for us and if we press them to answer they will have to say no. It seems better to leave note unanswered and wait for another opportunity.

1103. DEA/2588-40

L'ambassadeur au Brésil au secrétaire d'État aux Affaires extérieures

Ambassador in Brazil to Secretary of State for External Affairs

TELEGRAM 65 Rio de Janeiro, November 18, 1953

CONFIDENTIAL. IMPORTANT.

COMMERCIAL ARREARS

Reference: My telegrams No. 63 and No. 64.†

1. The Minister of Finance told me today that I could advise my government that payments would begin today or tomorrow. I do not expect them to be heavy.

2. Since technical difficulties and administrative delays are always possible, I suggest that we make no announcement until payments actually begin.

1104. DEA/2588-40

L'ambassadeur au Brésil au secrétaire d'État aux Affaires extérieures

Ambassador in Brazil to Secretary of State for External Affairs

TELEGRAM 66 Rio de Janeiro, November 24, 1953

SECRET. IMPORTANT.

COMMERCIAL ARREARS

Reference: My telegram No. 65 of Nov. 18th.

1. Payments did not begin by last Thursday as Aranha the Minister of Finance told me they would, but he did put machinery in motion.

2. Exchange Director of the Bank of Brazil yesterday assured the Commercial Secretary he will apply one million dollars against our backlog by December 31st. Payments thereafter depend on availability of dollars, but he is aiming at rate of five hundred thousand dollars per month.

3. We still cannot exclude the chance of delays and disappointments but are encouraged to find Aranha's decision has now reached the men who have actually to pay the bills.

1105. DEA/2588-40

L'ambassadeur au Brésil au secrétaire d'État aux Affaires extérieures

Ambassador in Brazil to Secretary of State for External Affairs

TELEGRAM 67 Rio de Janeiro, November 24, 1953

CONFIDENTIAL. IMPORTANT.

COMMERCIAL ARREARS

Reference: My tel. No. 66 of November 24th.

Word of first payment reached us from Royal Bank who received today 45 thousand dollars.

SECTION B

COLOMBIE: RECONNAISSANCE DE GOUVERNEMENT
COLOMBIA: RECOGNITION OF GOVERNMENT

1106. DEA/3456-40

L'ambassadeur en Colombie au secrétaire d'État aux Affaires extérieures

Ambassador in Colombia to Secretary of State for External Affairs

TELEGRAM 24 Bogotá, June 14, 1953

IMMEDIATE

General Rojas, Commander-in-Chief, assumed Presidency at 22 hours Saturday without firing a shot. Surprise Coup d'État said to have forestalled the move by right wing conservatives and seems to rejoice moderate elements of all parties. Ospina[9] supporting Coup d'État. Liberal press announces era of hope. New President says armed forces to rule pending the restoration of constitution necessary for genuine democratic elections, render homage to Colombians in Korea and proclaim the respect of all International Agreements. Bogotá absolutely calm except enthusiastic crowds that acclaim Rojas and Ospina and country reported peaceful. Former President Gomez reported home under guard and his newspaper failed to appear Sunday. Please advise.

---

[9] Mariano Ospina Pérez, l'un des chefs du Parti conservateur de la Colombie.
Mariano Ospina Pérez, one of leaders of Conservative Party of Colombia.

1107. DEA/3456-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur en Colombie

Secretary of State for External Affairs to Ambassador in Colombia

TELEGRAM 24[10] Ottawa, June 15, 1953

Reference: Your telegram No. 24 of June 14, 1953

Please refrain from any official contact with new Government until advised by the Department.

1108. DEA/3456-40

L'ambassadeur en Colombie au secrétaire d'État aux Affaires extérieures

Ambassador in Colombia to Secretary of State for External Affairs

TELEGRAM 26 Bogotá, June 18, 1953

IMMEDIATE

New regime recognized by nearly all Latin Governments, Britain, USA, France and Spain. Constituent Assembly and Supreme Court have given regime legal form. President to receive diplomatic corps very soon. Lengthy routine note received June 17th at 1700 hours. We recommend speedy action. Do you still want whole Spanish text en clair?

1109. DEA/3456-40

Le secrétaire d'État aux Affaires extérieures à l'ambassadeur en Colombie

Secretary of State for External Affairs to Ambassador in Colombia

TELEGRAM 27 Ottawa, June 19, 1953

IMMEDIATE

Reference: Your telegrams No. 24 of June 14 and No. 26 of June 18, 1953.

The form of your reply to the note from the Colombian Foreign Ministry should conform closely to the informal notification of change of government. You may wish to ascertain the form of the UK reply.

Without seeing the note, I hesitate to prescribe the exact form of reply. Your reply should note that Rojas assumed executive power of the nation in the capacity of President (and in any other capacity of which you may have received notification). It should also indicate that the Government of Canada repeat Government of Canada is gratified to learn of the readiness of the new Government to fulfil its international obligations including existing treaties and agreements between our

---

[10] L'annotation suivante a été dactylographiée sur notre copie du document:
The following was typed on this copy of the document:
Please send in CODE, not en clair.

two countries as well as multilateral agreements. You may conclude with a reference to the friendly relations which have always existed between Canada and Colombia and express the hope that these will be continued by the new Government on the same cordial basis.

Your acknowledgement along these lines should be sent as soon as possible. Please send by commercial air mail copies of the notes.

1110. DEA/10464-E-40

L'ambassade en Colombie au secrétaire d'État aux Affaires extérieures

Embassy in Colombia to Secretary of State for External Affairs

DESPATCH 6 Bogotá, June 22, 1953

RECOGNITION OF THE NEW COLOMBIAN GOVERNMENT

Reference: Your Telegram No. 27 of June 20/53.

I enclose a copy of the text of Note No. 13 dated June 20, 1953, which was delivered today to the Ministry of External Relations of Colombia, as well as a copy of the June 16 note of the Ministry of External Relations delivered in Spanish.[11] For your information I also enclose a copy of the note dated June 18, 1953, which the British Ambassador, Mr. Keith Jopson, delivered on the same day.†

2. You will note that the Canadian and British communications are identical in spirit and you will observe further that my note is a virtual paraphrase of the language used by the new Colombian Minister of External Relations, Dr. Evaristo Sourdis, in his communication of June 16, 1953, to this embassy.

EDMOND TURCOTTE

[PIÈCE JOINTE/ENCLOSURE]

L'ambassadeur en Colombie
au ministre des Relations extérieures de Colombie

Ambassador in Colombia
to Minister of External Relations of Colombia

NOTE NO. 13 Bogotá, June 20, 1953

Monsieur le Ministre,

On the instructions of the Government of Canada, I have the honour to acknowledge the receipt of Your Excellency's Note No. 1690 of the 16th June, 1953, by which Your Excellency was good enough to inform me that on the night of 13th June, 1953, Lieutenant-General Gustavo Rojas Pinilla assumed the office of President of the Republic and the responsibilities devolving upon the Head of the Colombian State.[12]

---

[11] Non trouvée./Not located.
[12] Non trouvée./Not located.

I have taken due note of the contents of Your Excellency's communication and, in particular, of Your Excellency's statement that the change of Government was effected in complete tranquillity and that the new Colombian Government is firmly established in the whole of the territory of Colombia. I am happy to inform Your Excellency that the Government of Canada is gratified to learn that the new Colombian Government is unreservedly prepared to fulfill and will loyally fulfill all the international obligations of the Republic, that it will respect all current pacts including those in effect between Colombia and Canada, and that it will maintain diplomatic relations with friendly nations.

I have the honour and the pleasure to convey to Your Excellency the assurance that the Government of Canada fully reciprocates the wish expressed by Your Excellency in the name of the Colombian Government that the diplomatic relations between our two countries continue to develop normally in the spirit of traditional friendship which has characterized them at all times.

I avail etc.

EDMOND TURCOTTE

SECTION C

URUGUAY: RESTRICTIONS RELATIVES AUX IMPORTATIONS
URUGUAY: IMPORT RESTRICTIONS

1111. DEA/4905-40

Le secrétaire d'État aux Affaires extérieures au chef de mission en Uruguay

Secretary of State for External Affairs to Head of Post in Uruguay

DESPATCH E-75 Ottawa, May 30, 1953

URUGUAY IMPORT RESTRICTIONS

The Department of Trade and Commerce has informed us that the Commercial Secretary in Buenos Aires has advised about a recent case of discrimination against Canadian goods in the allocation of foreign exchange for imports by Uruguay. In a circular dated November 6, 1952 an exchange quota of $80,000 was made available for importation of seeds into Uruguay from the United States. Canadian seeds apparently were not eligible for importation under this quota and a Canadian seed exporting firm sought the assistance of the Department of Trade and Commerce in obtaining the removal of this discrimination. Recently a similar case occurred when an exchange quota, notified on March 28, 1953, of $100,000 was established for imports of antibiotics from United States only.

2. I understand that the Honorary Commercial Agent for Canada in Uruguay, on investigating this case, was told by officials of the Exchange Control Commission that licenses for imports from the United States may be utilized for merchandise of United States origin and/or from Canada, except in cases where the Commission

expressly stipulates otherwise. It would appear, therefore, that the Uruguayan authorities seem to feel free to discriminate as between the United States and Canada.

3. Article II of the Canada-Uruguay Trade Agreement provides for equal treatment in the allocation of dollar exchange. It reads "The Contracting Parties will grant each other in all matters pertaining to the allocation of exchange made available for commercial transactions or in the allocation of quotas, either in respect of exchange or in respect of quantitative control of imports, treatment not less favourable than is granted to any other country".

4. As the ability of Canadian firms to compete in the Uruguayan market is impaired by this discrimination, and moreover as it is not in accordance with our Trade Agreement with Uruguay, I should be grateful if you would bring this matter to the attention of the Uruguayan Government and let me know what reply you receive. In addressing your note to the Foreign Ministry, it should state our concern about this discriminatory treatment and express our hope that Uruguay will in future ensure equality of treatment for Canadian goods in the allocation of dollar exchange.

A.E. RITCHIE
for the Secretary of State
for External Affairs

1112. DEA/4905-40

L'ambassade en Uruguay
au sous-secrétaire d'État aux Affaires extérieures

Embassy in Uruguay
to Under-Secretary of State for External Affairs

LETTER NO. 194 Montevideo, October 13, 1953

CANADA-URUGUAY TRADE AGREEMENT — ADDITIONAL PROTOCOL

Reference: Your letter No. 143 of September 30, 1953.†[13]

After waiting three months we have finally received an answer to the official protest which you had asked me to address to the Department of Foreign Relations concerning a concrete case of discrimination against Canadian goods in the allocation of foreign exchange. You will find enclosed a copy of the reply in the original language (Spanish)† and my own translation in English of the said text.

2. The Bank of the Republic, which is the competent authority in this matter, states, in substance, that the terms of the Trade Agreement existing between the two countries cannot be interpreted in any other way than that "to a given volume of commercial exchanges between two or more countries should correspond an equal allocation of foreign exchange in each instance". Elaborating on this point, the Bank authorities add that "Canada benefitted, for the payment of her exports to

[13] Cette référence concerne en fait le document 1111; voir le paragraphe 1 du document 1113.
This reference should actually be to Document 1111; see paragraph 1 of Document 1113.

Uruguay, from the reserve in foreign exchange obtained by Uruguay through her exports to the United States".

3. This interpretation of the Treaty imposes, of course, a very restrictive conception of the commercial relations which should exist between countries. Your comments on this point would be greatly appreciated, not only for our enlightenment in the present discussion, but mostly for our future guidance in this respect. Both the Bank of the Republic and the Head of the Economic Division insist in private conversations, on the necessity for us to individualize more our purchases from Uruguay as for instance in the purchases of Uruguayan wool from Boston. It would help materially to build the foreign exchange reserve so badly needed in cases such as those mentioned in your letter under reference. At the present time, our wool purchases made in Boston are credited in US dollars to the United States, and unless our imports from Uruguay are clearly defined and reported it seems that we may run again against this difficulty.

4. I remain at your disposal for whatever further action you may consider desirable in this case.

FULGENCE CHARPENTIER
Chargé d'Affaires

[PIÈCE JOINTE/ENCLOSURE]

Le ministre des Relations extérieures d'Uruguay au chargé d'affaires en Uruguay [Traduction]

Minister of External Relations of Uruguay to Chargé d'Affaires in Uruguay [Translation]

[Montevideo, n.d.]

Mr. Chargé d'Affaires,

I have the honour to refer to your note regarding the allocation of foreign exchange for the importation of goods by Uruguay, and the provisions of the Trade Agreement existing between our two countries respecting this question.

In this connection our Department has communicated with the Bank of the Republic asking for a report on an apparent case of discrimination in the recent allocations of foreign exchange.

The following answer has been received from the Bank of the Republic:

"In the opinion of this General sub-administration the provisions invoked (by the Canadian Embassy) cannot have another meaning than to a given volume of commercial exchanges between two or more countries should correspond an equal allocation of foreign exchange in each instance. It is evident that if we did act otherwise one or the other would suffer a prejudice.

"But such is not the situation in the present case, if we cast a glance at the commercial exchanges between Uruguay and Canada during the years 1949, 1950 and 1951:

(These figures have been supplied by the office of the Comptroller of Imports and Exports).

	Canada		United States of America	
	Exports	Imports	Exports	Imports
1949	846,000	2,495,900	50,305,000	39,517,000
1950	1,898,000	1,796,000	129,150,000	39,266,000
1951	845,000	6,056,000	102,442,000	140,025,000
	$3,589,000	10,347,000	281,897,000	218,808,000
	More Imports $6,758,900		More Exports $63,089,000	

"We regret that we do not have on hand the complementary figures for 1952 nor for the first six months of the present year, which should undoubtedly show the same trends.

"It seems obvious that the claim of the Canadian Embassy is not a reasonable one and that Canada has benefited, for the payment of her exports to Uruguay, from the reserve in foreign exchange obtained by our country from our exports to United States.

"It is also fair to add that the policy adopted by the Bank in all matters of allocation of foreign exchange generally follows the principle of reciprocity in commercial relations. If this principle had been strictly adhered to in the case of Canada a restriction of her exports to Uruguay would have undoubtedly followed, and we must further add that the trend observed in the commercial exchanges between the two countries do not leave us any other alternative but to envisage with a restrictive mind the requests for allocation of foreign exchange of purchases to be made in the said country.

"With the assurance etc.

LUIS GUILLOT
for the Minister

1113. DEA/4905-40

L'ambassade en Uruguay
au sous-secrétaire d'État aux Affaires extérieures

Embassy in Uruguay
to Under-Secretary of State for External Affairs

LETTER NO. 196 Montevideo, October 15, 1953

URUGUAY IMPORT RESTRICTIONS

Reference: Our letter No. 194 of October 13, 1953.

Our letter No. 194 of October 13th, was given the wrong reference and the wrong subject matter although it refers to the general subject of Canada-Uruguay trade. The reference should have been your Despatch No. E-75 of May 30th and the subject, Uruguay Import Restrictions. Also your despatch was marked "secret" and our letter was inadvertently sent by registered airmail.

2. On the same subject I wish to add the following quotation from the Regulations of the Bank of the Oriental Republic of Uruguay dealing with exchange control on exports and imports. This quotation will throw further light on the attitude adopted by the Government of Uruguay in their dealings with Canadian trade matters. It is revealing of the strict interpretation given to trade agreements concluded between Uruguay and other countries. It is also an indication that our trade relations with Uruguay will not be easy unless the balance of trade with this country reaches some kind of equilibrium.

3. The above mentioned quotation reads as follows:

"*Import quotas allotted to each country*. -

The Bank of the Republic shall fix the import quotas according to the monthly statistics of the amount of foreign exchange invested by the other countries in the purchase of Uruguayan produce, at the rate of at least 75% of the said amounts, under deduction of the sums necessary to the service of External Debt, if any.

The said contingents may be fixed at the rate of controlled market or free market, according to the kind of foreign exchange yielded by each purchasing country.

Those countries which habitually buy Uruguayan products are in a more advantageous situation that enables them to sell their goods to Uruguay, as it creates the means that are necessary for the payment of their own merchandise.

However, certain raw materials and articles are produced only in countries that have no import contingent available. In those cases, collective quotas are fixed, the allotment of which is made with a restrictive criterium because, as Uruguay depends on exportation for its resources, it must needs give the preference for imports to the countries that buy Uruguayan products, in order to avoid disturbances in its commercial balance."

FULGENCE CHARPENTIER
Chargé d'Affaires

1114. DEA/4905-40

Le sous-secrétaire d'État aux Affaires extérieures au chargé d'affaires en Uruguay

Under-Secretary of State for External Affairs to Chargé d'Affaires in Uruguay

LETTER NO. 189 Ottawa, December 17, 1953

URUGUAYAN IMPORT CONTROLS

Reference: Your letter No. 194 of Oct. 13 and No. 196 of Oct. 15.

The reply of the Government of Uruguay to your last note on discrimination against Canada in the allocation of foreign exchange is unsatisfactory and indicative of a restrictive and incorrect interpretation of both the spirit and the letter of The 1936 Trade Agreement between our two countries.

2. It is apparent that Uruguay's policy is to allocate foreign currency to importers in proportion to the amount of that currency available from the proceeds of Uruguayan exports to the country concerned. The implication is clearly for bilateral balancing of exchange regardless of whether or not the currency in question is convertible. By following such a policy, Uruguay discriminates against Canada and in favour of the United States in the allocation of dollar exchange. Since Uruguay applies this policy to all countries they argue that it is non-discriminatory and in accordance with the provisions of Article II of our Trade Agreement which states:

"The Contracting Parties will grant each other in all matters pertaining to the allocation of exchange made available for commercial transactions or in the allocation of quotas, either in respect of exchange or in respect of quantitative control of imports, treatment not less favourable than is granted to any other country."

3. We cannot agree with this restrictive interpretation of Article II which would render meaningless the most-favoured-nation provision of that Article and which is contrary to the generally accepted usage and intent of that provision. As a matter of interest, if we did agree with the Uruguayan interpretation of this Article, Canada would have grounds for imposing restrictions on imports from Uruguay now, inasmuch as our trade statistics show that Canadian exports to Uruguay for the first 9 months of 1953 amounted to some $1.6 million as compared with imports from Uruguay totalling $2.4 million in the first 8 months of 1953.

4. In the circumstances we feel that it is essential that you should make further representations to the Uruguayan Government, particularly in view of the latest case of discrimination brought to our attention by the Commercial Secretary in his letter of December 1 to the Director of the Trade Commissioner Service describing the allocation by Uruguay of an exchange quota of $200,000 for imports of pneumatic tires and tubes from the United Kingdom, France and the United States only.† In the enclosure to this letter you will find an outline of the main points which can be used in your note to the Foreign Ministry.† You will observe that we have drawn attention to the implications of Uruguay's accession to the General Agreement on Tariffs and Trade (GATT). As you know, Uruguay has announced its intention to accede to GATT and the attached draft note was prepared on the assumption that Uruguay's final accession would proceed as a matter of course. However, if by the time you make your representations it is clear that Uruguay has decided not to carry out its announced intention of acceding to GATT, there would, of course, be little point including the references to GATT in your note.

5. In addition to the points referred to in the enclosure to this letter, you may wish to mention to the Uruguayan authorities that even in the absence of treaty obligations it is difficult to see the purpose of the procedure adopted by Uruguay. There may be some logic to such procedure when applied to the trade of countries with inconvertible currencies and which then maintain controls on imports from Uruguay. In trade with Canada a country with freely convertible currency and with no controls over trade such segregation of accounts does not appear to us to serve any real purpose either in safeguarding Uruguay's balance of payments or increasing Uruguayan exports. In fact, the only results of such action would be to reduce the opportunities for obtaining competitive goods for the Uruguayan economy, and to

undermine the confidence and goodwill which exist in Canada towards our trade with Uruguay.

A.E. RITCHIE
for the Acting Under-Secretary of State
for External Affairs

1115. DEA/4905-40

L'ambassade en Uruguay
au sous-secrétaire d'État aux Affaires extérieures

Embassy in Uruguay
to Under-Secretary of State for External Affairs

LETTER NO. 6 Montevideo, January 11, 1954

URUGUAYAN EXPORT CONTROL

Reference: Your letter No. 189, dated December 17, 1953.

Your suggestion to send a further protest to the Uruguayan authorities on discrimination shown in the past against Canada in the allocation of foreign exchange has been studied bearing in mind recent developments along these lines. Whether on account of our previous protests, or on account of the personal interventions of both the commercial secretary and myself, there seems to exist an improvement in the attitude towards Canada in this regard.

2. Following the Commercial Secretary's arrival in Montevideo a certain number of formal calls were arranged to afford him an opportunity to meet the government officials dealing with foreign trade. We first visited the Chief of the Economic Division of the Department of Relaciones Exteriores. We later called on the head of the Bank of the Republic and other officials of the same institution stressing in all cases the importance attached by the Canadian Government to equality of treatment between nations in the dollar area, especially the United States of America, when any amount was allotted for imports from these countries. The reception everywhere was friendly but a little elusive.

3. It is thought that we finally knocked at the right door when we paid our call on the controller of the Import and Export Board who stated to us that, as far as he was concerned, he saw no reason why Canada should not figure amongst the prospective suppliers on the same footing as the United States, whenever a quota was opened in our area. Immediately after our visit, and probably too soon to expect any tangible result, another quota was announced omitting again the name of Canada. In agreement with the Commercial Secretary, a letter was directed to the Controller on December 1st (copy enclosed†) reminding him of his promise and requesting for Canada equality of treatment with other competitors.

4. Since then, only one quota was granted and Canada was comprised among the prospective tenderers. The Commercial Secretary makes a constant examination of all the quotas granted for imports which have not revealed any inimical action

against us. Although no reply has been received to our letter of December 1st, it may be that a change of heart has taken place on the part of the Uruguayan authorities.

5. For these considerations, and the Commercial Secretary's memorandum on this subject (copy enclosed) supports these views, it may prove more profitable to hold your letter in abeyance unless the Import and Export Control Board reverts to their objectionable practice. If and when a recurrence of discrimination against Canada happens, immediate use will be made of your letter.

FULGENCE CHARPENTIER
Chargé d'Affaires

[PIÈCE JOINTE/ENCLOSURE]

Note du secrétaire (Commerce) en Uruguay au chargé d'affaires en Uruguay

Memorandum from Commercial Secretary in Uruguay to Chargé d'Affaires in Uruguay

Montevideo, January 8, 1954

URUGUAYAN IMPORT CONTROLS

Referring to: Letter from the Under-Secretary of State of External Affairs dated December 17th 1953.

1. While agreeing entirely that the theory the Uruguayan Authorities follow in granting foreign exchange on a bilateral basis is unsatisfactory, I am not sure that in practice this theory is always followed. Just at present I don't think Canada can complain.

2. You will recall that when we called on the Head of the Economic Section of the Uruguayan Department of External Relations, the bilateral theory was strongly defended, and when we called on the Central Bank it was again defended; when, however, we visited the Foreign Exchange Control Board Chief,[14] we were relieved to find that that individual felt that as far as he was concerned there was no difference between Canadian and American dollars.

3. Subsequently, when the next case came to my notice of an import quota being made available from the United States but not from Canada, you protested to the chief of the Uruguayan Import and Export Control Board. I suggested this for two reasons. Firstly, he was the most sympathetic to our point of view. Secondly, it is he who is in the firing line, as it were. In other words, the Economic Section of the Department of External Affairs formulates policy, the Central Bank makes the amounts of Foreign Currency available, *but* it is the Import and Export Control Board which, as far as I could ascertain, decides what to do with the monies made available by the Bank.

---

[14] L'annotation suivante a été dactylographiée sur notre copie du document:
The following was typed on this copy of the document:
i.e. Import & Export Control Board.

4. We wrote to the Chief of the Import and Export Control Board on 1st December last requesting that Canada be named as a supplier every time the USA was. Although we have not been favoured with a reply there has, since that time, been no recurrence of the practice, objectionable to us, of naming the United States but not Canada as a supplier.

5. Under the circumstances I would think it inadvisable to dispatch a note along the lines suggested by your Department to the local authorities at this present juncture, but to hold the draft letter in readiness should the Import and Export Control Board again revert to the objectionable practice referred to above. It is possible that if we refrain from making an official protest to the Uruguayan Department of External Relations the present satisfactory allocation of import quotas may continue. On the other hand it is possible that if we do send a note of protest, stronger or more detailed instructions might be sent down to the Import and Export Control Board whereby Canada would be mentioned less often as a supplier.

6. Regarding the final paragraph of the letter you have received from the Department, while reiterating that the theories followed by the Uruguayan Authorities in the granting of exchange are objectionable, I do not find it difficult to see their purposes. Their bilateral approach to trade and the fact that their trade figures (which are always very late) show an unfavourable balance, from their point of view, with Canada, forces me to devote more thought to the importation of Uruguayan merchandise than would otherwise be the case.

W. G[IBSON]-S[MITH]

INDEX

A

ACCORD GÉNÉRAL SUR LES TARIFS DOUANIERS ET LE COMMERCE
- Belgique : restrictions relatives aux importations en provenance de la zone dollar, 1362-1377
- Grèce : importations hors-programme, 1402-1405
- huitième session des parties contractantes : barèmes tarifaires, 620; délégation, 614; ordre du jour, 613; rapport, 614-620
- Japon : accession du, 605-612, 615-617, 1600-1604
- restrictions relatives aux importations, 1177-1178, 1180-1182, 1187-1190, 1219, 1249, 1256
- Uruguay : accession de l', 1639

ACCORD INTERNATIONAL SUR LE BLÉ, 643-688

ACCORD INTERNATIONAL SUR LE SUCRE, 621-642; article 16, 625-631; discussions commerciales avec Cuba, 636-642, négociations du tarif du Royaume-Uni avec Cuba, 634, 638-640

ADMINISTRATION EISENHOWER : *voir sous* États-Unis

AFRIQUE DU SUD, 337; politiques raciales discutées à l'Assemblée générale de l'ONU, 425-427, 439-440

ALLEMAGNE, RÉPUBLIQUE FÉDÉRALE D'
- Conférence des quatre Grands (Berlin) sur la, 723-734, 729, 733-734, 815-816, 823
- défense européenne, 693-694, 706, 711-712, 784, 811-812, 822-823
- notes soviétiques à l'égard de la, 733-742, 745-748
- politique des trois Grands sur la, 741-742, 747
- pourparlers bilatéraux : accord sur la dette extérieure, 1393-1396; sur le commerce, 1401-1402; visite du chancelier, 1397-1401

AMÉRIQUE DU SUD : *voir* Amérique latine

AMÉRIQUE LATINE : *voir également sous* blocs *et sous* les pays particuliers; mission commerciale de bonne entente, 1605-1613

ANZAM : et la sécurité dans le Pacifique, 806-807

ANZUS : et les contacts avec l'OTAN, 791-807

ARCTIQUE, bandes d'atterrissage : *voir sous* États-Unis (défense)

ARCTIQUE, souveraineté : *voir sous* États-Unis (défense)

ARCTIQUE, stations climatiques : *voir sous* États-Unis (défense)

ARGENTINE : et la résolution de l'Assemblée générale de l'ONU sur les troupes de la Chine nationaliste en Birmanie, 305-306, 308-309

ARMES ATOMIQUES, 816-817, 822, 1103-1104

ASSEMBLÉE GÉNÉRALE DES NATIONS UNIES : *voir également sous* Corée
- Birmanie : troupes de la Chine nationaliste en, 262, 297-314, 339, 357-374, 428, 435-436
- blocs à l' : afro-arabo-asiatique, 58, 63, 180, 284-288, 299, 305-306, 405-419 *passim*; latino-américain, 178, 181-182, 287-288; soviétique, 58, 285, 287, 327, 374, 420-421, 437
- Commissions
  - Commission politique spéciale, 427, 439-440, 514-515
  - Première Commission : *voir également sous* Corée (Assemblée générale)
    - désarmement, 438, 447-449, 455-484; et le développement économique, 455-472 *passim*
    - troupes de la Chine nationaliste en Birmanie, 262, 297-314, 339, 357-375, 428, 435-436; résolution du Mexique, 305-314, 327; résumé du débat, 312
  - Deuxième Commission, 421, 429-431, 440-441; Agence des Nations Unies pour le relèvement de la Corée, 256; Fonds spécial des Nations Unies pour le développement économique, 345-50
  - Troisième Commission, 431, 438, 441-442
  - Quatrième Commission, 426, 431-432, 442-443
  - Cinquième Commission, 432-433, 443-445; politique à l'égard du personnel du secrétariat, 375-405; et le renvoi de la question de compétence à la Cour internationale de justice, 390-402
  - Sixième Commission, 433
- Commission spéciale sur les prisonniers de guerre, 338, 442
- Commission sur le désarmement, 447-449, 466-468, 478, 482-485, 494
- désarmement, 435, 447-496 *passim*; et le développement économique, 455, 457-

458, 461; Groupe de travail interministériel sur le, 450-452; et le plan Eisenhower sur l'énergie atomique, 489-495; points de vue de l'Occident, 452-453; position de l'Union soviétique sur le, 452-453; propositions de la France (Moch), 453; résolution des 14 grandes puissances, 455-489 *passim*
guerre bactériologique, 283, 328-329, 424
questions coloniales : *voir* questions coloniales
sessions
7e (deuxième partie) : évaluation, 326-332; ordre du jour, 281-283
8e, 332-446; discours du président des États-Unis, 436, 489-495; évaluations, 420-446; motifs d'intercession, 434-435
Tribunal administratif : primes accordées au personnel du secrétariat de l'ONU, 375-405

AUSTRALIE, *voir également sous* Commonwealth, *et sous* Corée, *et sous* Organisation du traité de l'Atlantique Nord; et ANZUS, 806; accord aérien, 845-846; et l'appel de la Thaïlande concernant le Laos, 1571-1573, 1577

AUTRICHE : attitude de l'Union soviétique à l'égard du problème de l', 734-735; note de l'Union soviétique sur l', 746-748

AVIATION CIVILE
accords aériens
avec l'Australie, 845-846
avec le Mexique, 847-851; droits non commerciaux à Tampa, 853-873, 1016; KLM comme exploitant temporaire, 847-854 *passim*, 873
avec le Pérou, 874-884
OACI
blocs à l', 839-841
États-Unis et l', 835
7e session de l'Assemblée de l' : blocs à l', 839, 841; délégation à l', 831-833; évaluation, 836-841; rapport, 834-836, 841-844
Royaume-Uni : discussions en vue d'améliorer les relations avec le, 884-892

B

BARRAGE GUT : *voir sous* États-Unis (système des Grands Lacs)

BELGIQUE : restrictions relatives aux importations en dollars, 1362-1377

BIRMANIE : *voir sous* Assemblée générale

blé : Accord international sur le blé, 643-688; pour l'Inde, 943-944; pour le Pakistan, 949-950, 953-961

BLOCS
afro-arabo-asiatique
à l'OACI, 839-841
débats : sur la Corée, 58, 63, 180; sur la Tunisie et le Maroc, 285, 287, 299, 305-306, 405-419 *passim*
et décisions du Tribunal administratif, 379
et les troupes de la Chine nationaliste en Birmanie, 299, 305-306
latino-américain : à l'OACI, 839-841; à l'Assemblée générale de l'ONU, 178, 181-182, 287-288; influence à l'ONU, 1615
soviétique, 327, 420-421, 437; et discussion du point de la Tunisie à l'Assemblée générale de l'ONU 287-288; position sur la question des prisonniers de guerre de la Corée, 58; et la résolution de l'Assemblée générale de l'ONU sur les troupes de la Chine nationaliste en Birmanie, 374

BRÉSIL : paiement des dettes commerciales, 1624-1631; résolution prise en commun avec l'Inde pour relancer la 8e session de l'Assemblée générale de l'ONU, 263-265, 271

C

CAMBODGE : attitude à l'égard de la participation au plan de Colombo, 924-925; roi du, 1564, 1572, 1574-1575

CEYLAN : *voir sous* Commonwealth (plan de Colombo)

CHINE, RÉPUBLIQUE POPULAIRE DE : *voir également sous* Corée; et appui du Viêt-minh, 1576; et Indochine, 983-984; invasion du Laos, 1562-1563; et la situation en Extrême-Orient, 1570; et les troupes de la Chine nationaliste en Birmanie, 299; et l'ONU : invitation à participer à la 7e session de l'Assemblée générale, 301; représentation à l', 338, 422, 1482

CHINE NATIONALISTE : prêt de crédit à l'exportation à la, 1493, 1496; société industrielle Ming Sung, 1492-1493, 1496; troupes en Birmanie; 262, 297-314, 339, 357-374

CHUTES DU NIAGARA : *voir sous* États-Unis

cinquième amendement : *voir sous* Nations Unies (secrétariat)

COLOMBIE : coup d'État, 1631-1632; reconnaissance du gouvernement de la, 1633-1634

COMMISSION MIXTE INTERNATIONALE : *voir sous* États-Unis (Voie maritime du Saint-Laurent)

COMMISSION DES NATIONS UNIES POUR L'UNIFICATION ET LE RELÈVEMENT DE LA CORÉE, 248-255 *passim*

COMMONWEALTH
- Australie : et l'OTAN, 794-807; et la sécurité dans le Pacifique, 806-807
- Corée : discussion par les délégations du Commonwealth à l'Assemblée générale, 172, 214-254 *passim*, 263-264
- immunités diplomatiques, 37
- «nouveau» : et la résolution de l'Assemblée générale de l'ONU sur les troupes de la Chine nationaliste en Birmanie, 299
- Plan de Colombo
  - Ceylan : projets pour le, 934-937
  - Comité consultatif, 917-920, 945; réunions des représentants, 920-929; réunions ministérielles, 929-934
  - Inde
    - fourniture de blé : utilisation des fonds de contrepartie, 943-944
    - plan quinquennal, 910-914
    - problèmes de l'aide liée, 911, 943-944
    - programme d'aide : aide relative aux produits de base, 914; biens d'équipement, 911-912
    - projets, 938-946
  - Pakistan
    - aide : publicité au sujet de l', 953-955, 960-961
    - fourniture de blé, 949-950, 953-961; utilisation des fonds de contrepartie, 950, 954-955
    - projets, 947-952
    - situation : alimentaire, 956-960; économique, 915-917; politique, 954
- propositions de la Conférence économique : effet sur l'Organisation européenne de coopération économique, 1308-1318, 1325-1326; la France et les, 1384
- rencontre des premiers ministres : et la Communauté européenne de défense, 896; et la Conférence des Bermudes, 893; et la Corée, 894, 896; et le Moyen-Orient, 895-896; et la réunion proposée des quatre Grands sur Berlin, 893; et les relations économiques, 896
- visite du premier ministre, 897-908

COMMUNAUTÉ EUROPÉENNE DE DÉFENSE : *voir sous* Organisation du traité de l'Atlantique Nord

COMMUNAUTÉ EUROPÉENNE DU CHARBON ET DE L'ACIER : intérêts canadiens dans la, 1302-1303; liaison avec la, 1299-1303; relations avec les pays non membres, 1299-1301, 1303

COMPAGNIE INTERNATIONAL NICKEL : mines de nickel Petsamo, 1492, 1496, 1517-1524

CONFÉRENCE EUROPÉENNE DES MINISTRES DES TRANSPORTS : association avec la, 1304-1308

CONFÉRENCE DES BERMUDES, 714-719, 721-726, 750-760, 815-828 *passim*

CONSEIL DE SÉCURITÉ DES NATIONS UNIES
- appel de la Thaïlande concernant l'invasion du Laos, 1570-1577; effet possible sur le règlement de la Corée, 1574
- et discussion de la plainte de la Birmanie au, 303
- et nomination du secrétaire-général, 317-325
- problème des frontières entre la Jordanie et Israël, 445, 1438-1442
- situation en Indochine, référence possible à la, 1565
  - positions : de l'Australie, 1571-1572; du Canada, 1565-1566, 1577, 1582; des États-Unis, 1565, 1567, 1569-1570, 1577; du Royaume-Uni, 1566, 1571-1572, 1575-1578

CONSEIL ÉCONOMIQUE ET SOCIAL DES NATIONS UNIES
- élections, 336, 446-447; Fonds spécial des Nations Unies pour le développement économique, 339-350; Société financière internationale, 339, 350-357

CONVENTION SUR LES PÊCHERIES DE FLÉTAN DU PACIFIQUE NORD : *voir sous* États-Unis (questions économiques)

CORÉE
- Assemblée générale de l'ONU
  - consultations des alliés par les États-Unis, 101, 146-156, 160-167, 177-179, 184-190
  - projets de résolutions pour l'exécution de l'article 60 de l'accord d'armistice, 152-159, 164-168
  - question des prisonniers de guerre à l'
    - débat sur la, 56-60, 255-265, 428-429; position des États-Unis, 259, 262-263, 276-278; souhait de l'Inde au sujet de la, 231-235, 245-246, 250-251, 255-258, 263-264
    - Première Commission : renvoi du projet de résolution pour l'exécution de l'article 60 de l'Accord d'armistice à l', 168-169, 181
    - séance spéciale portant sur la, 251-265; position des États-Unis, 257-

261, 265; position du Canada, 255-256, 258, 260-263; projet de résolution Brésil-Inde de convocation de l'Assemblée, 261, 265, 271
réunions des délégations du Commonwealth à l', 167-168, 241-254 *passim*, 263-264
reprise de la 7e session, 113-114, 121, 127, 130, 134-141
ordre du jour, 136-139, 141 : point de vue de l'Inde, 121, 135; point de vue des États-Unis, 122-125, 134; point de vue du Canada, 138-139
siège possible de l'«autre partie» à l', 90-91, 102, 105, 133
Australie
Assemblée générale de l'ONU : consultation des délégations du Commonwealth à l', 172, 241, 264
et la Conférence politique : retrait de l'Inde de la, 176
Chine, République populaire de
Conférence politique
discussions en vue de régler la question, 205-208, 212, 214-220
impasse, 237-239, 241-242; proposition de rupture, 247-249, 267-269, 270-275
présence de l'Union soviétique à la, 132, 241, 248-9, 270, 273-276, 278-280
ordres des États-Unis à la Septième flotte, 56, 983-984
prisonniers de guerre : impasse des négociations au sujet des, 233-237, 245-246, 273; propositions de rapatriement, 61-70
proposition en 8 points au Commandement des Nations Unies, 61-76 *passim*; attitude des États-Unis à l'égard de la, 66-68, 70-76, 78, 1003; comparaison avec la résolution de 1952 de l'ONU, 64-66, 76-77; discussion par le Canada de la, 64-66, 76-77, 79-81, 84-86; rapatriement des malades et des blessés, 61-63; réponse du Commandement des Nations Unis, 67-68, 71
résolution de l'Inde sur la transmission des résolutions de l'Assemblée générale de l'ONU à la, 172-175, 178-182; rejet des résolutions, 192
Commandement des Nations Unies : comme organisme de l'ONU, 51-54; et les procès des prisonniers de guerre, 39-47; et les propositions des commandants communistes, 61-108 *passim*
Commission de rapatriement des nations neutres : attitude des É.-U. à l'égard de la, 69, 72, 74-78, 83, 90-91; composition de la, 70-78, 81; mandat de la, 87-89, 95, 100; procédure de vote, 78, 90, 95; et le processus d'«explication», 202-206, 209-211, 225-237, 245, 273; rapport de la, 250, 253; traitement de la question des prisonniers de guerre, 221-280 *passim*
Commission de surveillance des nations neutres, 72
Conférence politique proposée, 102-280
composition et forme, 108-111, 115-117, 119, 130, 133-137, 147-166 *passim*, 184-192 *passim*, 228, 241-242, 266-269, 274-276
participation : de la République de Corée, 150-1, 155-168 *passim*, 176-7, 192, 247, 267-8, 272; de l'Inde, 108-109, 118, 127-129, 136-184 *passim*, 195, 199-200, 214, 243, 247-249; de l'Union soviétique, 108-109, 150-172 *passim*, 180-181, 241-242, 247-249, 267-280 *passim*; du Canada, 108-109, 151-152, 161, 177, 185-191 *passim*
participation à : élargissement possible de la, 193-195, 208, 212, 218, 227-230; limitation possible de la, 212-214, 221-222, 224, 227, 238-242
consultation avec les États-Unis : préoccupations du Canada, 187, 189-191, 200, 211, 222-224; réunions du groupe des 16 puissances, 184-188, 208, 211-212, 217-219, 227-230, 247, 271-272, 274-280
lieu et date, 108, 111, 117, 132, 184-186, 207, 228, 241, 267-269
ordre du jour et procédure, 109-111, 115-120, 130-132, 153-154, 163, 167-169, 228-229, 241-242, 266-269, 274-275
résolution d'exécution de l'Accord d'armistice (article 60), 149-184 *passim*, 206-212; réponse communiste, 192, 214-220
réunions préliminaires à Panmunjom, 227-30, 237-9, 247-8, 266-70, 274-80
consultation des alliés par les États-Unis (groupe des 16 puissances), 74-76, 86-88, 97-99, 101-102, 160-167, 177-179, 184-190, 206-208, 211-212, 217-220,

222-224, 227-230, 247, 260-262, 271-272, 274-276
États-Unis
Assemblée générale de l'ONU : allocation d'un siège à l'«autre partie» à l', 90-91; attitude à l'égard de la reprise de la 7e session, 123-124; attitude à l'égard de nouveaux débats à la 8e session de l', 257-263; projets de résolutions à l', 152-161, 164-166, 175, 178
Commission de rapatriement des nations neutres : attitude à l'égard de la, 78, 83, 89-91; mandat de la, 87-88, 100; membre de la, 72, 74, 78, 80; procédure de vote de la, 81, 83, 89-91, 95, 100
Conférence politique
discussions sur la : avec les alliés, 184-248 *passim*; à Panmunjom, 238-239, 241-242, 247-248, 267-278
projet de résolution visant l'exécution de l'article 60 de l'Accord d'armistice : position sur le, 158-159
Inde : participation à la Conférence politique, 127-129, 136, 139, 146, 153, 163, 167, 183, 249
prisonniers de guerre : sort des, 244, 277, 997-998
République de Corée : relations avec la, 102-104, 106, 113, 123-127, 135-137, 143-144, 170-171, 272
France
Conférence politique : composition de la, 222; participation de l'Union soviétique et de l'Inde, 153, 158-159
et le projet de résolution de l'ONU pour l'exécution de l'article 60 de l'Accord d'armistice, 156, 158-161
forces de sécurité après l'armistice, 55
Inde
et la Commission de rapatriement des nations neutres, 75, 78-81, 128, 202-205, 209-211, 221-280 *passim*
et la participation à la Conférence politique, 109, 115, 118, 127-184 *passim*, 195, 200, 214, 247-249, 268
et la plainte de la Birmanie contre la Chine nationaliste, 262
et la question des prisonniers de guerre, 128, 221-280 *passim*
et la République de Corée, 118, 158, 202, 204-205, 209-211, 276
et la République populaire de Chine : discussions avec la, 168, 193-194, 197; projet de résolution de communication entre l'Assemblée générale de l'ONU et la, 172-175, 178-179, 181, 187
et relations avec les États-Unis, 117-118, 127-129, 139, 146, 183
négociations sur l'armistice, 997-998, 1003
accord, 140; reprise possible des hostilités, 147-148
consultation des alliés par les États-Unis, 74-76, 78, 82, 84-88, 97-99, 101-104, 998-999
partie communiste : participation possible à l'Assemblée générale de l'ONU, 90, 92-94, 102, 105, 133; point de vue des Chinois, 192
prisonniers de guerre
contre-proposition du commandement unifié en Corée, 62-104 *passim*; position du Canada, 69, 79-87; réponse des communistes, 99, 105-107
échange de blessés et de malades, 61-70 *passim*, 1459
évasion, 111-113, 275
libération des Nord-Coréens, 83-85, 111-113, 275
propositions des communistes, 61-76 *passim*; comparaison avec la résolution de l'ONU de 1952 (proposition de Menon), 64-66, 76-77; point de vue du Canada sur la, 76-79
rapatriement des non-rapatriables, 67-77, 90-98, 102-108, 140
procès des prisonniers de guerre, 39-47
question des prisonniers de guerre : *voir également sous* Corée (négociations sur l'armistice, *et* la Chine *et* la Commission de rapatriement des nations neutres)
à l'Assemblée générale de l'ONU
débat sur la, 56-60, 253-265, 428-429; position des États-Unis, 259-261, 277; souhait de l'Inde à cet égard, 226, 231-236, 245-246, 250, 255-258, 263-264, 271
date limite pour la libération des, 242-246, 256-257
«explications» : règles de procédure, 203-206, 233-234, 237; troubles dans le camp au cours des, 203, 209-211, 221, 224-226, 229, 236, 275
reconstruction de la, 441
République de Corée
attitude : à l'égard de l'Inde, 158, 160, 163, 167, 176-177, 276; à l'égard de l'Union soviétique, 270, 272, 276

et la Commission de rapatriement des nations neutres, 81, 209, 230
libération des prisonniers de guerre, 83, 112-113, 147-148
Pacte de sécurité avec les États-Unis, 123-124, 170-171
et propositions d'armistice, 102-107, 112-113, 118, 120-121, 123, 126, 999
réhabilitation de la, 150, 154
relations avec les États-Unis, 102-104, 106, 113, 123-127, 135-137, 143-144, 170-171, 272
unification de la, 154, 156, 999
Royaume-Uni
Assemblée générale de l'ONU : consultations auprès des délégations du Commonwealth à l', 172, 241-254 *passim*, 263-264; reconvocation de l', 142-143, 253-254
Conférence politique
composition et forme : points de vue sur la, 115-117, 142, 153, 157-158, 165, 208, 221
secrétaire-général : visite à Ottawa, 114
sécurité collective, 48-54
Union soviétique
évaluation de la nouvelle attitude envers l', 1462, 1465-1467
participation à la Conférence politique, 108-109, 150-172 *passim*, 180-181, 241-242, 247-249, 267-280 *passim*, 808-809, 1482
points de vue, 1482-1483; sur le Pacte de sécurité des États-Unis avec la République de Corée, 171; sur le projet de résolution visant l'exécution de l'Accord d'armistice, 170-171

COUR INTERNATIONALE DE JUSTICE : renvoi de la question de la compétence du Tribunal administratif de l'Assemblée générale à la, 390-405 *passim*

CPCAD : *voir* Commission permanente canado-américaine de défense *sous* États-Unis (défense)

CROIX-ROUGE INTERNATIONALE : rapatriement des malades et des blessés de Corée, 56-57

D

DÉFENSE GLOBALE, 791-807 *passim*

DÉSARMEMENT : *voir sous* Assemblée générale

E

ÉGYPTE : établissement de la République de l', 1427-1428; relations anglo-égyptiennes, 709, 744, 816

ÉNERGIE ATOMIQUE, 436-437; diffusion de l'information, 816-817, 1012; plan Eisenhower, 489-495

ÉTATS-UNIS : *voir également sous* Corée *et sous* Organisation du traité de l'Atlantique Nord
administration Eisenhower
échange de vues : accord de Yalta, 985; Allemagne, 985; Assemblée générale de l'ONU, 987-988; Chine communiste, 983-985, 1015; consultation des alliés, 982; Corée, 983-985, 997-999, 1003-1004, 1010, 1015; CPCAD, 1012; défense continentale, 988, 1001, 1005, 1012, 1015; énergie atomique, 1012; Formose, 983-985; Indochine, 983-984, 996-997, 1003-1004; libre-échange, 1007-1008, 1224, 1230-1233; OTAN, 986-987, 1001-1003, 1012, 1014; politique commerciale, 999-1000; propositions du Royaume-Uni sur la convertibilité, 988, 1009; relations anglo-égyptiennes, 1004-1005; relations économiques, 1006-1012, 1015-1017; Thaïlande, 1003; traité de la Communauté européenne de défense, 986; Trieste, 1014; Union soviétique, 982, 987, 996, 1004, 1013; Voie maritime du Saint-Laurent, 988, 1000-1001, 1006, 1010-1011
aviation civile : attitude à l'égard de l'OACI, 835; droits non commerciaux de la TCA à Tampa, 853-873
Birmanie : troupes de la Chine nationaliste en, 297-300, 303-306, 358, 361-364
Commission mixte internationale : *voir également sous* Voie maritime du Saint-Laurent; travaux des chutes du Niagara, 1297-1298
et la Communauté européenne de défense, 785-787
construction du câble téléphonique transatlantique, 973-979
défense
accord sur l'interception d'aéronefs, 1019-1023
Arctique : bandes d'atterrissage de l', 1049-1053 *passim*, 1121; souveraineté dans l', 1047-1053; stations météorologiques de l', 1049-1053 *passim*, 1118-1121
CF105, 1024
Commandement du Nord-Est, 1025-1026

Commission permanente canado-américaine de défense, 1012; accord sur l'interception des aéronefs, 1019-1023; Comité de coopération militaire, 1027, 1080-1081; défense radar, 1053-1056, 1063-1064, 1079, 1095, 1099, 1101; et pipeline Haines-Fairbanks, 1107-1110; réseau Pinetree, 1032-1044 *passim*; Torbay, 1028-1031
continentale
Canada-États-Unis : consultation et planification, 1093-1104; groupe d'étude militaire, 1060, 1064, 1069, 1077, 1082-1087, 1092-1104 *passim*
défense radar (réseau d'alerte avancé et la ligne mid-Canada), 1049-1105 *passim*; projet Counterchange (Corrode), 1053-1070, 1082-1083; projet Lincoln, 1049, 1063, 1069, 1083, 1092-1093; réseau McGill, 1052, 1086, 1092-1093, 1097
information de presse, 1065-1073, 1077-1079, 1084, 1089-1092
et l'OTAN, 1085, 1087, 1095
et l'Union soviétique : bombe à hydrogène, 1067, 1073, 1077-1078, 1097, 1467-1469; possibilités de, 1094-1095; tactiques possibles de, 1094
coopération concernant les armes atomiques, 1103-1104
Goose Bay, 1027-1028
pipeline Haines-Fairbanks, 1005-1018; et la Colombie-Britannique, 1106-1110, 1116-1118; CPCAD et le, 1107-1110; participation des États-Unis, 1106-1116
stations Loran, 1031-1032, 1049, 1051-1053, 1122
Nations Unies
8^e^ session de l'Assemblée générale : discours du président à la, 436, 489-493; prises de position à la, 423-425, 437
problèmes de personnel au secrétariat, 293-296, 375-405 *passim*
plan Eisenhower, 489-495
problèmes économiques internationaux : rôle concernant les, 989-996, 999-1000, 1008-1010, 1232, 1243, 1247
questions économiques
Commission mixte canado-américaine du commerce et des affaires économiques proposée, 1008, 1224-1237
Convention sur les pêcheries de flétan dans le Pacifique nord, 1259-1261
gaz naturel : exportation vers les États-Unis, 1202, 1205, 1215; importation au Canada, 1209-1214
plomb et zinc, 1007; augmentations proposées des droits de douane, 1216-1217, 1222-1223, 1248-1249; incidence sur le Canada, 1218, 1220-1221; incidence sur les exigences de défense, 1216-1217, 1221
politique commerciale, 991-996, 1009-1010, 1181, 1183-1186, 1249
produits carnés : suppression des limitations, 1197-1201
restrictions relatives aux importations : avoine et filets de poissons de fond, 1008, 1237-1259; produits laitiers, 1006-1007, 1177-1197
zone de libre-échange proposée, 1007, 1224, 1226-1227, 1230-1233
rencontres des ministres des Affaires étrangères des trois Grands, 125-131, 740-745
et la situation en Indochine, 1564-1567, 1569-1571
système des Grands Lacs
niveaux de marée haute : lac Long et le détournement de l'Ogoki, 1292-1297; et la Voie maritime du Saint-Laurent, 1168-1170, 1296
revendications de Gut Dam : question de l'immunité, 1261-1292
Voie maritime du Saint-Laurent
aménagement hydro-électrique
délibérations de la Commission fédérale de l'énergie, 1131, 1134, 1141-1142, 1144-1146, 1149-1153; désignation de la New York State Power Authority, 1173; examen judiciaire, 1153, 1155-1161, 1164-1168, 1171, 1177
demande d', 1124, 1126, 1128, 1130-1131, 1133, 1136, 1138-1139, 1148, 1169
Commission mixte internationale : 1150, 1153, 1165, 1168-1170
Commission mixte d'ingénieurs du Saint-Laurent, 1153-1160, 1165, 1172-1176; question constitutionnelle, 1155-1156, 1162, 1165, 1172-1173
Conseil international de contrôle du fleuve Saint-Laurent, 1154-1165
construction : législation des États-Unis, 1123, 1126, 1128, 1130-1131, 1136,

1139-1140, 1144, 1151, 1157; participation des États-Unis à la, 1006, 1224-1231
Loi sur l'Administration de la voie maritime du Saint-Laurent, 1149-1150
réinterventions auprès des États-Unis, 1131, 1133-1137, 1140-1141, 1143-1146, 1152, 1156-1157, 1159, 1161-1162, 1166, 1168, 1172

F

FONDS MONÉTAIRE INTERNATIONAL : *voir sous* Tchécoslovaquie

FONDS INTERNATIONAL DES NATIONS UNIES POUR LE SECOURS DE L'ENFANCE : contribution au, 515-519; élections, 446-447

FONDS SPÉCIAL DES NATIONS UNIES POUR LE DÉVELOPPEMENT ÉCONOMIQUE : *voir sous* Conseil économique et social des Nations Unies

FORMOSE : et la stratégie américaine en Extrême-Orient, 56, 983-984

FRANCE
et la Communauté européenne de défense, 783-784, 786-791, 819, 983; ratification du Traité, 729, 741, 783, 983, 1400
et l'Extrême-Orient : réunion suggérée des 5 grandes puissances, 212-213
Indochine, 983, 996-997, 1003-1004; discussion possible à la Conférence politique de la Corée, 1568, 1580; l'OTAN et l', 699, 709, 712, 786-787; plan Navarre, 1576, 1580; politique sur l', 1580-1582; renvoi au Conseil de sécurité de l'ONU, 1565-1567; situation des États associés, 1564, 1572, 1576, 1580
pourparlers bilatéraux, 1377-1393
question de la Tunisie et du Maroc, 283-292, 405-419

G

GATT : *voir* Accord général sur les tarifs douaniers et le commerce

GOOSE BAY : *voir sous* États-Unis (défense)

GRÈCE : importations hors-programme, 1402-1405; secours aux sinistrés du tremblement de terre, 1405-1409

GUERRE BACTÉRIOLOGIQUE, 283, 329-330, 424

I

INDE : *voir également sous* Commonwealth (plan de Colombo) *et sous* Corée; et les résolutions relatives au désarmement, 462-468, 481, 483; à la 8[e] session de l'Assemblée générale, 438-439

INDOCHINE : *voir sous* France

INDONÉSIE : prêt à l', 1415-1422, 1495

INONDATIONS CATASTROPHIQUES EN EUROPE : contributions de secours, 1360-1362; mesures concernant l'immigration touchée par les, 1359

ISRAËL
politique d'immigration vers, 1443-1445
problème arabo-israélien : aménagement des eaux du Jourdain, 1439-1440; attitudes du Canada, des États-Unis, et du Royaume-Uni à l'égard du, 1441-1442; Commission sur la trêve en Palestine, 1436-1437, 1440; examen du Conseil de sécurité de l'ONU du, 1440-1442; incidents frontaliers, 1435-1440
vente d'armes à, 1428-1443, 1440-1442

ITALIE
élections : aspect de l'immigration, 1410-1415
proposition de réunion des ministres des Affaires étrangères, 725-726, 730-732
et Trieste, 742, 762-791; ratification du traité de la Communauté européenne de défense, 812

J

JAPON : *voir également sous* GATT
commerce : accord avec le, 610; et restrictions sur les changes, 1587-1604 *passim*
et la défense régionale du Sud-Est asiatique, 802
fonds de secours aux sinistrés des inondations, 1583-1587

L

LAC LONG ET OGOKI : *voir sous* États-Unis (système des Grands Lacs)

LAOS : attitude à l'égard de la participation au plan de Colombo, 924-925
invasion par le Viêt-minh, 1562-1566; appel de la Thaïlande devant le Conseil de sécurité de l'ONU, 1570-1580, 1582
points de vue : du Canada, 1573-1582 *passim*; du Royaume-Uni, 1576-1577

LIGNE MID-CANADA : *voir sous* États-Unis (défense)

M

MAROC : *voir sous* questions coloniales

MEXIQUE
accord aérien, 847-851; droits non commerciaux à Tampa, 847-854; KLM à titre d'exploitant temporaire, 847-854 *passim*, 873

et Birmanie : résolution de l'Assemblée générale de l'ONU sur les troupes de la Chine nationaliste en, 305-314, 327

MINES DE NICKEL DE PETSAMO : *voir sous* Union soviétique

MISSION COMMERCIALE DE BONNE ENTENTE EN AMÉRIQUE LATINE, 1605-1613

MONARQUE : désignation et titres royaux, 1-3

MOYEN-ORIENT : organisation de défense, 1429, 1431; problème arabo-israélien, 1435-1442; vente d'armes aux Arabes, 1428-1431

N

NATIONS UNIES
- Assemblée générale : *voir* Assemblée générale des Nations unies
- Charte, 380, 426, 816; révision, 423
- Commission de la trêve en Palestine, 1436-1437, 1440
- Conseil de sécurité : *voir également* Conseil de sécurité des Nations Unies; élections, 336
- Conseil de tutelle, 336-338
- Corée : *voir sous* Corée (Assemblée générale)
- élections aux conseils, 332, 336
- Indochine, 1564-1566, 1568-1569
- nouveaux membres : admission, 338, 422-423
- secrétaire-général
  - démission du, 282
  - nomination du, 315-325; rapport sur le, 316-325; le secrétaire d'État aux Affaires extérieures comme candidat possible au poste de, 316-325
  - rapport sur le personnel du secrétariat, 293-296, 375-404 *passim*
  - relations avec le Tribunal administratif, 378, 384, 387, 391, 403-404
- secrétariat : politique à l'égard du personnel, 282, 292-296, 330-331, 338, 439, 443-445
  - rapport du secrétaire général sur le, 292-296, 375-381, 386-389; et le 5[e] amendement, 375; modification du règlement sur le personnel, 375-389, 399, 403-404, 444-445
  - Tribunal administratif
    - primes accordées par le, 375-405 *passim*, 443-445
    - question de compétence, 376-390 *passim*, 443-445
      - renvoi du : au corps judiciaire spécial, 378, 383, 392-393; à la Cour internationale de justice, 390-405 *passim*
      - résolution sur le, 396-402, 405

NÉGOCIATIONS EN VUE DE L'ARMISTICE : *voir sous* Corée

NORVÈGE : et l'Assemblée de parlementaires de l'OTAN proposée, 771-783, 827

O

OACI : *voir sous* aviation civile

OFFICE DE SECOURS ET DE TRAVAUX DES NATIONS UNIES POUR LES RÉFUGIÉS DE PALESTINE, 496-515

ONU : *voir* Nations unies

ORGANISATION MONDIALE DE LA SANTÉ, 576-605

ORGANISATION EUROPÉENNE DE COOPÉRATION ÉCONOMIQUE
- effet des propositions de la Conférence économique du Commonwealth sur l', 1308-1312, 1314-1318, 1326
- programme de travail : convertibilité, 1327-1340, 1353-1354; libéralisation des échanges commerciaux, 1327-1340; restrictions relatives aux importations en provenance de la zone dollar, 1340-1360
- réunions ministérielles, 1327-1333, 1353-1360
- Union européenne de paiements
  - avenir de l', 1319, 1324-1326, 1332-1333; pendant la période de transition vers la convertibilité, 1338, 1353-1354
  - conseils d'administration et de direction : rapports, 1324-1325, 1348-1350
  - effet des propositions de la Conférence économique du Commonwealth sur l', 1317

ORGANISATION INTERNATIONALE DU TRAVAIL, 544-565

ORGANISATION DES ÉTATS AMÉRICAINS : adhésion éventuelle à l', 1613-1618, 1621-1624; statut d'observateur à l', 1613-1617, 1619-1624

ORGANISATION DES NATIONS UNIES POUR L'ÉDUCATION, LA SCIENCE ET LA CULTURE : élections, 574; vérifications de sécurité, 575-576

ORGANISATION DU TRAITÉ DE L'ATLANTIQUE NORD
- Allemagne : contribution à la défense de l'Europe, 694, 706, 708; notes de l'Union soviétique sur l', 733-762 *passim*; problèmes de l', 724, 728, 733-735, 738, 741, 747, 749-501
- ANZUS et l', 791-807
- Assemblée de parlementaires proposée, 771-783, 827

Autriche : problème de l', 724, 735, 747
Communauté européenne de défense : participation dans l'armée européenne, 783-789; Royaume-Uni et la, 784, 787, 789-790
Conférence des Bermudes, 714-719, 721-726, 750-760
consultation politique dans le cadre de l, 714-762; concernant la Conférence des Bermudes, 714-719, 721-726; concernant une conférence possible des quatre Grands sur l'Allemagne, 723-724, 729-737, 740; concernant la réponse aux notes de l'Union soviétique sur l'Allemagne, 733-741, 745-750, 752, 760-761
coopération non militaire (article II), 691-692, 688, 706-707, 826
défense : contribution de l'Allemagne à l', 694, 706, 822; monté en puissance, 694, 697, 705, 709, 718, 752, 754-755, 759, 1014; nord-américaine, 813-814, 817, 823-824; planification globale, 801-806; planification de «longue haleine», 813-814, 817, 823-824
États-Unis et l', 704-705; Assemblée de parlementaires de l'OTAN proposée, 779-780; consultation politique à, 714-761 *passim*; Indochine, 786-787; sécurité dans le Pacifique, 791-807; sécurité de l'Europe, 746, 749, 808, 810; sécurité globale, 803; situation intérieure en relation avec l', 816; traité de la Communauté européenne de défense, 816, 823; Trieste, 762-771
examen annuel, 692-697 *passim*, 710, 824-825
et l'Indochine : *voir également sous* France; 690, 709, 712, 786-787
infrastructure, 711, 827
militaires : commandants, 693, 695, 706, 825-826; risques, 709, 825
politique future de l', 809-811, 822
presse et relations publiques, 690-691, 701-703
quatre Grands : réunion proposée, 723-724, 729, 734, 745, 813-816, 823
et relations anglo-égyptiennes, 709, 744, 816
relations avec ANZUS, 791-807
restrictions relatives aux voyages dans les pays de l'OTAN, 1525-1529
réunions ministérielles, 700-713, 807-828
secrétaire général, 695-696, 826-827; participation à la Conférence des Bermudes, 751, 753-760
secrétariat, 706, 821
sécurité : dans le Pacifique, 791-807; en Europe de l'Ouest, 741, 745-747, 761, 786-787, 789-791, 817, 821
tendances au sein de l', 689-700, 711-719
Traité de la Communauté européenne de défense, 708, 718, 729, 741, 745, 750, 760, 783-784, 789-791; les États-Unis et le, 813, 823; la France et le, 741, 783, 789, 813, 819, 823, 983
Trieste, 742, 762-771
trois Grands : réunions des ministres des Affaires étrangères, 725-732, 740-745
Union soviétique : notes sur l'Allemagne, 733-735, 745-750, 752, 760; politique de l', 707-708, 728-729, 808, 822; réponse à la proposition relative aux pourparlers des quatre Grands, 734-735, 745; tactiques de l', 718-719

OTAN : *voir* Organisation du traité de l'Atlantique Nord

P

PAKISTAN : *voir également sous* Commonwealth; et résolution de l'Assemblée générale de l'ONU sur les troupes de la Chine nationaliste en Birmanie, 303-305

PAYS SOUS-DÉVELOPPÉS : désarmement et les, 342, 344-346; développement économique des, 345-350; discutés à l'Assemblée générale, 421, 429-430; et Fonds spécial des Nations Unies pour le développement économique, 340-350

PAYS-BAS : et l'Assemblé de parlementaires de l'OTAN proposée, 781-783; KLM et service aérien au Mexique, 847-854 *passim*, 873; et prêt à l'Indonésie, 1415-1422, 1495, 1497

PÉROU : accord aérien, 874-884

PIPELINE HAINES-FAIRBANKS : *voir sous* États-Unis (défense)

PLAN DE COLOMBO : *voir également sous* Commonwealth; le Vietnam et le Cambodge comme membres du Comité consultatif sur l'assistance technique, 1581

PLAN EISENHOWER : *voir sous* énergie atomique

POLITIQUE À L'ÉGARD DU PERSONNEL : *voir sous* Nations Unies (secrétariat)

POLOGNE : comme membre de la Commission de rapatriement des nations neutres, 72, 80; évaluation en douane, 1530, 1551-1561; trésors artistiques, 1535-1551

PROGRAMME ÉLARGI D'ASSISTANCE TECHNIQUE DES NATIONS UNIES, 520-543

Q

QUATRE GRANDS : réunion proposée, 723-724, 729, 734, 745, 813-816

QUESTIONS COLONIALES
Maroc : débat à la 8 ᵉ session de l'Assemblée générale de l'ONU, 405-420, 426-427; inscription du point à l'ordre du jour du Conseil de sécurité de l'ONU, 181, 337; intervention de la France auprès du Canada sur les, 418-419
Tunisie
compétence de l'Assemblée générale de l'ONU pour discuter de la, 284-285, 337, 408-410
débat de l'Assemblée générale : 7ᵉ session, 283-292; 8ᵉ session, 405-419, 421, 426-427
intervention de la France auprès du Canada sur la, 418-419

R

RÉFUGIÉS DE PALESTINE, 427, 496-515

RÉSEAU PINETREE : *voir sous* États-Unis (défense)

RÉSEAU D'ALERTE AVANCÉ : *voir sous* États-Unis (défense)

ROYAUME-UNI : *voir également sous* Commonwealth (rencontre des premiers ministres) *et sous* Organisation du traité de l'Atlantique Nord (Communauté européenne de défense)
et la Birmanie, 301-305
Conférence des Bermudes, 714-719, 721-726, 750-760, 815-828 *passim*
convertibilité, 988, 1327-1340, 1353-1354
Corée
Conférence politique : points de vue sur la, 115-117, 119, 150, 157-158
consultations : avec les délégations du Commonwealth à l'Assemblée générale de l'ONU, 172, 214-254 *passim*, 263-264; par les États-Unis (groupe des 16 puissances), 74-76, 86-88, 97-99, 101-102, 142-156, 160-167, 177-179, 184-190, 206-208, 211-212, 217-220, 222-224, 227-230, 247, 260-262, 271-276
reprise de la 8ᵉ session de l'Assemblée générale de l'ONU, 141, 143, 253-254
et la libéralisation du commerce : attitude des États-Unis à l'égard de la, 999-1000, 1009
négociations du tarif douanier avec Cuba, 634-636, 638-641
et l'Organisation européenne de coopération économique, 1308-1322; libéralisation du commerce et convertibilité, 1327-1340, 1353-1354
relations anglo-égyptiennes, 709, 744, 816, 1004-1005
relations économiques avec le Canada : Comité permanent Royaume-Uni-Canada sur le commerce et les affaires économiques, 964-965; construction du câble téléphonique transatlantique, 973-979; discussions sur l'aviation civile, 884-892; remboursement de l'emprunt (1942) sans intérêts, 961, 965-966; vente de fromage, 962-963, 967-973; vente de saumon, 962-963
réunions des ministres des Affaires étrangères des trois Grands, 725-731, 740-745
et la Tunisie : position, 284-288

S

SECRÉTAIRE GÉNÉRAL DE L'ONU : *voir sous* Nations Unies

SECRÉTARIAT DE L'ONU : *vois sous* Nations Unies

SÉCURITÉ COLLECTIVE : rôle de l'ONU à l'égard de la, 48-54

SÉCURITÉ DANS LE PACIFIQUE, 791-807

SOCIÉTÉ FINANCIÈRE INTERNATIONALE, 339, 350-357

SOCIÉTÉ INDUSTRIELLE MING SUNG, 1492-1493, 1496

STATIONS LORAN : *voir sous* États-Unis (défense)

SUD-EST ASIATIQUE : Comité consultatif sur le développement économique du, 920-934; Organisme d'état-major militaire commun, 798-807 *passim*; sécurité dans le, 791-807

SUISSE : et la Commission de rapatriement des nations neutres, 70-71

SYRIE : établissement de la République de, 1445-1448

SYSTÈME DES GRANDS LACS : *voir sous* États-Unis

T

TCHÉCOSLOVAQUIE : comme membre de la Commission de rapatriement des nations neutres, 72, 80; évaluation en douane, 1529-1534; plaintes du Fonds monétaire international, 566-573; remboursement de l'emprunt pour crédits à l'exportation, 1495-1496, 1530-1534

THAÏLANDE
Commission militaire commune : pour l'évacuation des troupes de la Chine nationaliste de la Birmanie, 357-375 *passim*
et l'invasion du Laos
appel au Conseil de sécurité de l'ONU, 1570-1580, 1582
Commission d'observation de la paix, 1571-1573
points de vue : du Canada, 1564-1566, 1573-1574, 1577, 1579, 1582; du Royaume-Uni, 1576-1578

TORBAY : *voir sous* États-Unis (défense)

TRAITÉ DU NIAGARA, 1297-1298

TRAITÉ DE L'ATLANTIQUE NORD, 789-791, 811, 986

TRIBUNAL ADMINISTRATIF DES NATIONS UNIES : *voir sous* Nations Unies (secrétariat)

TROIS GRANDS : réponse aux notes de l'Union soviétique à l'égard de l'Allemagne, 733-742, 745-748; réunions des ministres des Affaires étrangères, 725-731, 740-745

TUNISIE : *voir sous* questions coloniales

TURQUIE : relations commerciales, 1422-1427

TUTELLE ET TERRITOIRES NON AUTONOMES, 338, 431-432, 442-443

U

UNION SOVIÉTIQUE : *voir également sous* Organisation du traité de l'Atlantique Nord
affaires étrangères : indices d'une nouvelle attitude, 1457-1467; mort de Staline, 1449-1450; orientations de la politique étrangère, 707-708, 728-729, 808, 822, 1094
affaires intérieures : influence de l'armée, 1456, 1476-1478; mort de Staline, 1449-1450; réorganisation du gouvernement, 1470-1480; stratégie de Staline, 1470-1480 *passim*; transfert des pouvoirs, 1450-1456, 1470-1480 *passim*
aide mutuelle : négociations en vue du remboursement de la dette, 1491-1492, 1497-1516
et l'Allemagne, 738, 749-750, 808, 816; garanties de sécurité, 815; notes de l'Union soviétique sur l'Allemagne, 732-741, 744-750, 760-761; réponse à la proposition de pourparlers des quatre Grands, 734-735, 745
analyse stratégique : effet de la bombe à hydrogène, 1467-1469
et l'Assemblée générale de l'ONU : gestes de paix des nouveaux dirigeants, 326-329; position pendant les débats de la 7^e session, 58-60, 326-329
et la Corée : attitude de la République de Corée à l'égard de l', 270-272, 276; Conférence politique, 94, 150-154, 241-249, 266-267, 273-280, 808-809, 1482; procès des prisonniers de guerre, 58
défense : bombe à hydrogène, 1067, 1073, 1077-1078, 1097, 1468-1419; possibilités de, 1094-1095, 1467-1469; tactiques possibles, 1094
et Formose, 283
mines de nickel de Petsamo, 1492, 1496, 1517-1524
nomination d'ambassadeurs, 1481-1482, 1484, 1490
et problèmes de l'Extrême-Orient, 746-747
restrictions relatives aux voyages : consultation à l'OTAN, 1526-1529

URUGUAY : accession au GATT, 1639; restrictions relatives aux importations, 1634-1642

V

VIÊT-MINH : invasion du Laos, 1562-1566; offensives en Indochine, 1562-1566, 1576, 1579-1582 *passim*

VIET-NAM : attitude à l'égard de la participation du plan de Colombo, 924-925

VISITE DU PREMIER MINISTRE : *voir sous* Commonwealth

VOIE MARITIME DU SAINT-LAURENT : *voir sous* États-Unis

Y

YOUGOSLAVIE : et Trieste, 742, 762-771

INDEX

A

ANZAM: and Pacific Security, 806-7

ANZUS: and contact with NATO, 791-807

ADMINISTRATIVE TRIBUNAL OF UNITED NATIONS: *see under* UN (secretariat)

ARCTIC AIR STRIPS: *see under* US (defence)

ARCTIC SOVEREIGNTY: *see under* US (defence)

ARCTIC WEATHER STATIONS: *see under* US (defence)

ARGENTINA: and General Assembly of UN Resolution on Chinese Nationalist troops in Burma, 305-6, 308-9

ARMISTICE NEGOTIATIONS: *see under* Korea

ATOMIC ENERGY, 436-7; dissemination of information, 816-7, 1012; Eisenhower Plan, 489-95, 816

ATOMIC WEAPONS, 816-7, 822, 1103-4

AUSTRALIA: *see also under* Commonwealth *and under* Korea *and under* NATO; air agreement, 845-6; and ANZUS, 806; Thailand appeal concerning Laos, 1571-3, 1577

AUSTRIA: Soviet attitude toward settlement of, 734-5; Soviet note on, 746-8

B

BACTERIOLOGICAL WARFARE, 283, 329-30, 424

BELGIUM: dollar import restrictions, 1362-77

BERMUDA CONFERENCE, 714-9, 721-6, 750-60, 815-28 *passim*

BIG FOUR: meeting proposed, 723-4, 729, 734, 745, 813-6

BIG THREE: Foreign Ministers' meetings, 725-31, 740-5; reply to Soviet notes on Germany, 733-42, 745-8

BLOCS
- Afro-Arab-Asian
  - and awards by Administrative Tribunal, 379
  - and Chinese Nationalist troops in Burma, 299, 305-6
  - in debate: on Korea, 58, 63, 180; on Tunisia and Morocco, 285, 287, 405-19 *passim*
  - at ICAO, 839, 841
- Latin American: at ICAO, 839, 841; at General Assembly of UN, 178, 181-2, 288; influence at UN, 1615
- Soviet, 327, 420-1, 437; and discussion of Tunisia item at General Assembly of UN, 287-8; and General Assembly of UN Resolution on Chinese Nationalist troops in Burma, 374; position on Korean prisoners of war question, 58

BRAZIL: joint resolution with India to reconvene 8th Session of General Assembly of UN, 263-5, 271; payment of commercial debts, 1624-31

BURMA: *see under* General Assembly

C

CAMBODIA: attitude towards membership in Colombo Plan, 924-5; King of, 1564, 1572, 1574-5

CEYLON: *see under* Commonwealth (Colombo Plan);

CHINA, NATIONALIST: export credit loan to, 1493, 1496; Ming Sung Industrial Corporation, 1492-3, 1496; troops in Burma; 262, 297-314, 339, 357-74

CHINA, PEOPLE'S REPUBLIC OF: *see also under* Korea; and Chinese Nationalist troops in Burma, 299; and Far East situation, 1570; and Indochina, 983-4; invasion of Laos, 1562-3; and support of Vietminh, 1576; and UN: invitation to attend 7th Session of General Assembly, 301; representation in, 338, 422, 1482

CIVIL AVIATION
- air agreements
  - with Australia, 845-6
  - with Mexico, 847-51; KLM as temporary operator, 847-54 *passim*, 873; non-traffic rights at Tampa, 853-73, 1016
  - with Peru, 874-84
- ICAO
  - 7th Session of Assembly of: assessment, 836-41; blocs at, 839, 841; delegation to, 831-3; report, 834-6, 841-4
- UK: discussions to improve relations with, 884-92

COLLECTIVE SECURITY: role of UN in, 48-54

COLOMBIA: coup d'état, 1631-2; recognition of government, 1633-4

COLOMBO PLAN: *see also under Commonwealth*; Vietnam and Cambodia as members of Consultative Committee on Technical Assistance, 1581

COLONIAL QUESTIONS
- Morocco: debate at 8th Session of General Assembly of UN, 405-20, 426-7; inscription of item on agenda of Security Council of UN, 181, 337; representation of France to Canada on, 418-9

Tunisia
competence of General Assembly of UN to discuss, 284-5, 337, 408-10
debate at General Assembly: 7th Session, 283-92; 8th Session, 405-19, 421, 426-7
representation of France to Canada on, 418-9

COMMONWEALTH
Australia: and NATO, 794-807; and Pacific security, 806-7
Colombo Plan
Ceylon: projects for, 934-7
Consultative Committee, 917-20, 945; meetings of officials, 920-9; ministerial meetings, 929-34
India
aid programme: capital equipment, 911-2; commodity assistance, 914
Five-Year Plan, 910-4
problems of tied aid, 911, 943-4
projects, 938-46
supply of wheat: use of counterpart funds, 943-4
Pakistan
aid: publicity about, 953-5, 960-1
projects, 947-52
situation: economic, 915-7; food, 956-60; political, 954
supply of wheat, 949-50, 953-6; use of counterpart funds, 950, 954-5
diplomatic immunity, 37
Economic Conference proposals: effect on OEEC, 1308-18, 1325-6; France and, 1384
Korea: discussion by Commonwealth delegations at General Assembly 172, 214-54 *passim*, 263-4
"new": and UN General Assembly resolution on Chinese Nationalist troops in Burma, 299
Prime Ministers' meeting: and Bermuda Conference, 893; and economic relations, 896; and EDC, 896; and Korea, 894, 896; and Middle East, 895-6; and proposed Big Four meeting on Berlin, 893
Prime Minister's tour, 897-908

CZECHOSLOVAKIA: customs valuation, 1529-34; export credit loan repayment, 1495-6, 1530-4; IMF complaints, 566-73; as member of Neutral Nations Repatriation Commission, 72, 80

D

DISARMAMENT: *see under* General Assembly

DISTANT EARLY WARNING SYSTEM: *see under* US (defence)

E

EDC: *see under* North Atlantic Treaty Organization (European Defence Community)

ECONOMIC AND SOCIAL COUNCIL OF THE UNITED NATIONS
elections, 336, 446-7; International Finance Corporation, 339, 350-7; Special United Nations Fund for Economic Development, 339-50

EGYPT: Anglo-Egyptian relations, 709, 744, 816; establishment of Republic of, 1427-8

EISENHOWER ADMINISTRATION: *see under* US

EISENHOWER PLAN: *see* atomic energy

EUROPEAN COAL AND STEEL COMMUNITY: Canadian interests in, 1302-3; liaison with, 1299-1303; relations with non-member countries, 1299-1301, 1303

EUROPEAN CONFERENCE OF MINISTERS OF TRANSPORT: association with, 1304-8

EUROPEAN DEFENCE COMMUNITY: *see under* NATO

F

FIFTH AMENDMENT: *see under* UN (secretariat)

FLOOD DISASTERS IN EUROPE: immigration measures affected by, 1359; relief contributions, 1360-2

FORMOSA: and US strategy in Far East, 56, 983-4

FRANCE
bilateral talks, 1377-93
and EDC, 783-4, 786-91, 819, 983; ratification of Treaty, 729, 741, 783, 983, 1400
and Far East: suggested 5-Power meeting on, 212-3
Indochina, 983, 996-7, 1003-4; Korean Political Conference, possible discussion at, 1568, 1580; NATO and, 699, 709, 712, 786-7; Navarre Plan, 1576, 1580; policy on, 1580-2; reference to Security Council of UN, 1565-7; status of Associated States, 1564, 1572, 1576, 1580
Tunisia and Morocco question, 283-92, 405-19

G

GATT: *see* General Agreement on Tariffs and Trade

GENERAL AGREEMENT ON TARIFFS AND TRADE
Belgium: dollar import restrictions, 1362-77
Eighth Session of Contracting Parties: agenda, 613; delegation, 614; report, 614-20; tariff schedules, 620
Greece: off-programme imports, 1402-5
Japan: accession of, 605-12, 615-7, 1600-4
Uruguay: accession of, 1639
US import restrictions, 1177-8, 1180-2, 1187-90, 1219, 1249, 1256

GENERAL ASSEMBLY OF THE UNITED NATIONS: *see also under* Korea
Ad Hoc Commission on Prisoners of War, 338, 442
Administrative Tribunal: awards to UN secretariat personnel, 375-405
bacteriological warfare, 283, 329-30, 424
blocs at: Afro-Arab-Asian, 58, 63, 180, 284-8, 299, 305-6, 405-19 *passim*; Latin American, 178, 181-2, 287-8; Soviet, 58, 285, 287, 327, 374, 420-1, 437
Burma: Chinese Nationalist troops in, 262, 297-314, 339, 357-74, 428, 435-6
colonial questions: *see* colonial questions
Committees
Ad Hoc Political Committee, 427, 439-40, 514-5
Committee One: *see also under* Korea (General Assembly)
Chinese Nationalist troops in Burma, 262, 297-314, 339, 357-75, 428, 435-6; Mexican resolution, 305-14, 327; summary of debate, 312
disarmament, 438, 447-9, 455-84; and economic development, 455-72 *passim*
Committee Two, 421, 429-31, 440-1; Special United Nations Fund for Economic Development, 345-50; United Nations Korean Reconstruction Agency, 256
Committee Three, 431, 438, 441-2
Committee Four, 426, 431-2, 442-3
Committee Five, 432-3, 443-5; personnel policy in secretariat, 375-405; and question of referring jurisdictional issue to International Court of Justice, 390-402
Committee Six, 433
disarmament, 435, 447-96; and economic development, 455, 457-8, 461; and Eisenhower Plan on atomic energy, 489-95; 14-Power resolution, 455-89 *passim*; French (Moch) proposals, 453; Interdepartmental Working Party on, 450-2; Soviet position on, 452-3; Western views, 452-3
Disarmament Commission, 447-9, 466-8, 478, 482-5, 494
Sessions
7th (Second Part): agenda, 281-3; assessment, 326-32
8th, 332-446; assessments, 420-46; reasons for recess, 434-5; speech of US President at, 436, 489-95

GERMANY, FEDERAL REPUBLIC OF
Big Four (Berlin) Conference on, 723-4, 729, 733-4, 815-6, 823
Big Three policy on, 741-2, 747
bilateral talks: agreement on external debts, 1393-6; on trade, 1401-2; visit of Chancellor, 1397-1401
European defence, 693-4, 706, 711-2, 784, 811-2, 822-3
Soviet notes on, 733-42, 745-8

GLOBAL DEFENCE, 791-807 *passim*

GOODWILL TRADE MISSION TO LATIN AMERICA, 1605-13

GOOSE BAY: *see under* US (defence)

GREAT LAKES SYSTEM: *see under* US

GREECE: earthquake relief, 1405-9; off-programme imports, 1402-5

GUT DAM: *see under* US (Great Lakes system)

H

HAINES-FAIRBANKS PIPELINE: *see under* US (defence)

I

ICAO: *see under* civil aviation

IMF: *see* International Monetary Fund

INDIA: *see also under* Commonwealth (Colombo Plan) *and under* Korea; and disarmament resolutions, 462-8, 476-8, 481, 483; at 8th Session of General Assembly, 438-9

INDOCHINA: *see under* France

INDONESIA: loan to, 1415-22, 1495

INTERNATIONAL COURT OF JUSTICE: reference of jurisdictional issue of Administrative Tribunal of General Assembly to, 390-405 *passim*

INTERNATIONAL FINANCE CORPORATION, 339, 350-7

INTERNATIONAL JOINT COMMISSION: *see under* US (St. Lawrence Seaway)

INTERNATIONAL LABOUR ORGANIZATION, 544-565

INTERNATIONAL MONETARY FUND: *see under* Czechoslovakia

INTERNATIONAL NICKEL COMPANY: Petsamo nickel mines, 1492, 1496, 1517-24

INTERNATIONAL RED CROSS: repatriation of sick and wounded in Korea, 56-7

INTERNATIONAL SUGAR AGREEMENT, 621-42; Article 16, 625-31; trade discussions with Cuba, 636-42; UK tariff negotiations with Cuba, 634, 638-40

INTERNATIONAL WHEAT AGREEMENT, 643-88

ISRAEL
- Arab-Israeli problem: attitudes of Canada, UK and US towards, 1441-2; border incidents, 1435-40; Jordan waters development, 1439-40; Palestine Truce Commission, 1436-7, 1440; Security Council of UN examination of, 1440-2
- arms sales to, 1428-43, 1440-2
- immigration policy towards, 1443-5

ITALY
- elections: immigration aspect, 1410-5
- proposal for meeting of Foreign Ministers, 725-6, 730-2
- and Trieste, 742, 762-71; ratification of EDC Treaty, 812

J

JAPAN: *see also under* GATT
- flood relief assistance, 1583-7
- and Southeast Asia regional defence, 802
- trade: agreement with, 610; and exchange restrictions, 1587-1604 *passim*

K

KOREA
- armistice negotiations, 997-8, 1003
  - agreement, 140; possible renewal of hostilities, 147-8
  - Communist side: possible participation at General Assembly of UN, 90, 92-4, 102, 105, 133; Chinese view, 192
  - consultation of allies by US, 74-6, 78, 82, 84-88, 97-9, 101-4, 998-9
  - Indian resolution of 1952, 57, 60, 64-6, 69, 72
  - prisoners of war
    - breakout of, 111-3, 275
    - Communist proposals, 61-76 *passim*; Canadian views on, 76-9; comparison with 1952 UN Resolution (Menon proposal), 64-6, 76-7
    - exchange of sick and wounded, 61-70 *passim*, 1459
    - release of North Korean, 83-5, 111-3, 275
    - repatriation of non-repatriables, 67-77, 90-8, 102-8, 140
    - UNC counter proposal, 62-104 *passim*; Canadian position, 69, 79-87; Communist response, 99, 105-7
- Australia
  - General Assembly of UN: consultation with Commonwealth delegations at, 172, 241, 264
  - and Political Conference: withdrawal of India from, 176
- China, People's Republic of
  - 8-point proposal to United Nations Command, 61-76 *passim*; Canadian discussion of, 64-6, 76-7, 79-81, 84-6; comparison with 1952 UN resolution, 64-6, 76-7; repatriation of sick and wounded, 61-3, 70; United Nations Command reply, 67-8, 71; US attitude to, 66-8, 70-6, 78, 1003
  - Indian resolution on transmitting General Assembly of UN resolutions to, 172-5, 178-82; rejection of resolutions, 192
  - Political Conference
    - discussions to arrange, 205-8, 212, 214-20
    - deadlock, 237-9, 241-2; proposal to break, 247-9, 267-9, 270-5
    - seating of Soviet Union at, 132, 241, 248-9, 270, 273-6, 278-80
  - prisoners of war: deadlock in negotiations about, 233-7, 245-6, 273; repatriation proposals, 61-70
  - US orders to Seventh Fleet, 56, 983-4
- collective security, 48-54
- consultations with allies by US (16-Power Group), 74-6, 86-8, 97-9, 101-2, 160-7, 177-9, 184-90, 206-8, 211-2, 217-20, 222-4, 227-30, 247, 260-2, 271-2, 274-6
- France
  - and draft UN resolution implementing Article 60 of Armistice Agreement, 156, 158-61
  - Political Conference: composition of, 222; participation of Soviet Union and India, 153, 158-9
- General Assembly of the United Nations
  - Commonwealth delegations meetings at, 167-8, 241-54 *passim*, 263-4

consultations with allies by US, 101, 146-56, 160-7, 177-9, 184-90
possible seating of "other side" at, 90-1, 102, 105, 133
prisoners of war question at
Committee One: referral of draft resolution implementing Article 60 of Armistice Agreement to, 168-9, 181
debate on, 56-60, 255-65, 428-9; Indian desire for, 231-5, 245-6, 250-1, 255-8, 263-4; US position, 259, 262-3, 276-8
special session to deal with, 251-65; Canadian position, 255-6, 258, 260-3; draft Brazil-India resolution to convene, 261, 265, 271; US position, 257-61, 265
reconvening of 7th Session, 113-4, 121, 127, 130, 134-41
agenda, 136-9, 141; Canadian view, 138-9; Indian view, 121, 135; US view, 122-5, 134
resolutions implementing Article 60 of Armistice Agreement, 152-9, 164-8
India
and Burmese complaint against Nationalist China, 262
and Neutral Nations Repatriation Commission, 75, 78-81, 128, 202-5, 209-11, 221-80 *passim*
and participation in Political Conference, 109, 115, 118, 127-84 *passim*, 195, 200, 214, 247-9, 268
and People's Republic of China: discussions with, 168, 193-4, 197; resolution on communication between General Assembly of UN and, 172-5, 178-9, 181, 187
and prisoner of war issue, 128, 221-80 *passim*
and relations with US, 117-8, 127-9, 139, 146, 183
and Republic of Korea, 118, 158, 202, 204-5, 209-11, 276
Neutral Nations Repatriation Commission: attitude of US to, 69, 72, 74-8, 83, 90-1; disposition of prisoner of war issue, 221-80 *passim*; and "explanation" process, 202-6, 209-11, 225-37, 245, 273; membership of, 70-8, 81; report of, 250, 253; terms of reference of, 87-9, 95, 100; voting procedure, 78, 90, 95
Neutral Nations Supervisory Commission, 72
Political Conference proposed, 102-280
agenda and procedure, 109-11, 115-20, 130-2, 153-4, 163, 167-9, 228-9, 241-2, 266-9, 274-5
composition and form, 108-11, 115-7, 119, 130, 133-7, 147-66 *passim*, 184-92 *passim*, 228, 241-2, 266-9, 274-6
participation: of Canada, 108-9, 151-2, 161, 177, 185-91 *passim*; of India, 108-9, 118, 127-9, 136-84 *passim*, 195, 199-200, 214, 243, 247-9; of South Korea, 150-1, 155-68 *passim*, 176-7, 192, 247, 267-8, 272; of Soviet Union, 108-9, 150-72 *passim*, 180-1, 241-2, 247-9, 267-80 *passim*
participation in: possible limiting of, 212-4, 221-2, 224, 227, 238-42; possible widening of, 193-5, 208, 212, 218, 227-30
consultation with US about (16-Power Group), 184-8, 208, 211-2, 217-9, 227-30, 247, 271-2, 274-80; Canadian concerns, 187, 189-91, 200, 211, 222-4
location and date, 108, 111, 117, 132, 184-6, 207, 228, 241, 267-9
preliminary meetings at Panmunjom, 227-30, 237-9, 247-8, 266-70, 274-80
resolutions implementing Armistice Agreement (Article 60), 149-84 *passim*, 206-12; Communist response, 192, 214-20
prisoners of war question: *see also under* Korea (armistice negotiations *and* China *and* Neutral Nations Repatriation Commission)
deadline for release of, 242-6, 256-7
"explanations": disturbances in camp during, 203, 209-11, 221, 224-6, 229, 236, 275; rules of procedure, 203-6, 233-4, 237
at UN General Assembly
debate on, 56-60, 253-65, 428-9; Indian desire for, 226, 231-6, 245-6, 250, 255-8, 263-4, 271; US position, 259-61, 277
prisoners of war trials, 39-47
reconstruction of, 441
Republic of Korea
and armistice proposals, 102-7, 112-3, 118, 120-1, 123, 126, 999
attitude: to India, 158, 160, 163, 167, 176-7, 276; to Soviet Union, 270, 272, 276
and Neutral Nations Repatriation Commission, 81, 209, 230
rehabilitation of, 150, 154

relations with US, 102-4, 106, 113, 123-7, 135-7, 143-4, 170-1, 272
release of prisoners of war, 83, 112-3, 147-8
Security Pact with US, 123-4, 170-1
unification of, 154, 156, 999
Secretary-General: visit to Ottawa, 114
security forces after armistice, 55
Soviet Union
assessment of new attitude towards, 1462, 1465-7
participation in Political Conference, 108-9, 150-72 *passim*, 180-1, 241-2, 247-9, 267-80 *passim*, 808-9, 1482
views, 1482-3; on draft resolution implementing Armistice Agreement, 170-1; on US Security Pact with ROK, 171
United Kingdom
Political Conference: views on composition and form, 115-7, 142, 153, 157-8, 165, 208, 221
UN General Assembly: consultations with Commonwealth delegations at, 172, 241-54 *passim*, 263-4; reconvening of, 142-3, 253-4
United Nations Command: and proposals by Communist commanders, 61-108 *passim*; and trials of prisoners of war, 39-47; as UN operation, 51-54
United States
General Assembly of UN: attitude to further debate at 8th Session of, 257-63; attitude to reconvening of 7th Session, 123-4; draft resolutions at, 152-61, 164-6, 175, 178; seating of "other side" at, 90-1
and India: attendance at Political Conference, 127-9, 136, 139, 146, 153, 163, 167, 183, 249
Neutral Nations Repatriation Commission: attitude to, 78, 83, 89-91; membership of, 72, 74, 78, 80; terms of reference of, 87-8, 100; voting procedure of, 81, 83, 89-91, 95, 100
Political Conference
discussions on: with allies, 184-248 *passim*; at Panmumjom, 238-9, 241-2, 247-8, 267-78
draft resolution implementing Article 60 of Armistice Agreement: position on, 158-9
prisoners of war: disposition of, 244, 277, 997-8
Republic of Korea: relations with, 102-4, 106, 113, 123-7, 135-7, 143-4, 170-1, 272

L

LAOS: attitude towards membership in Colombo Plan, 924-5
invasion by Vietminh, 1562-6; appeal to UN Security Council by Thailand, 1570-80, 1582
views: of Canada, 1573-82 *passim*; of UK, 1576-7
LATIN AMERICA: *see also under* blocs *and under* individual countries; Goodwill Trade Mission to, 1605-13
LONG LAC AND OGOKI: *see under* US (Great Lakes system)
LORAN STATIONS: *see under* US (defence)

M

MEXICO
air agreement, 847-51; KLM as temporary operator, 847-54 *passim*, 873; non-traffic rights at Tampa, 853-73
and Burma: General Assembly of UN Resolution on Chinese Nationalist troops in, 305-14, 327
MID-CANADA LINE: *see under* US (defence)
MIDDLE EAST: Arab-Israeli problem, 1435-42; arms sales to Arabs, 1428-31; Defence Organization, 1429, 1431
MING SUNG INDUSTRIAL CORPORATION, 1492-3, 1496
MONARCH: royal style and titles, 1-3
MOROCCO: *see under* colonial questions

N

NATO: *see* North Atlantic Treaty Organization
NETHERLANDS: KLM and air service to Mexico, 847-54 *passim*, 873; and loan to Indonesia, 1415-22, 1495, 1497; and proposed NATO Parliamentary Assembly, 781-3
NEUTRAL NATIONS REPATRIATION COMMISSION: *see under* Korea
NEUTRAL NATIONS SUPERVISORY COMMISSION: *see under* Korea
NIAGARA FALLS: *see under* US
NIAGARA TREATY, 1297-8
NORTH ATLANTIC TREATY, 789-91, 811, 986
NORTH ATLANTIC TREATY ORGANIZATION
Anglo-Egyptian relations, 709, 744, 816
annual review, 692-7 *passim*, 710, 824-5
ANZUS and, 791-807
Austria: problem of, 724, 735, 747
Bermuda Conference, 714-9, 721-6, 750-60, 814-5, 819-20
Big Four meeting proposed, 723-4, 729, 734, 745, 813-6, 823

Big Three meetings of Foreign Ministers, 725-32, 740-5
defence: build-up, 694, 697, 705, 709, 718, 752, 754-5, 759, 1014; German contribution to, 694, 706, 822; global planning, 801-6; "long haul" planning, 705, 710, 820-5; North American, 813-4, 817, 823-4
European Defence Community: participation in European Army, 783-9; UK and, 784, 787, 789-90
European Defence Community Treaty, 708, 718, 729, 741, 745, 750, 760, 783-4, 789-91, 813; France and, 741, 783, 789, 791, 813, 819, 823, 983; US and, 813, 823
future policy of, 809-11, 822
Germany: contribution to European defence, 694, 706, 708, 822; problem of, 724, 728, 733-5, 738, 741, 747, 749-50; Soviet notes on, 733-62 *passim*
and Indochina: *see also under* France; 690, 709, 712, 786-7
infrastructure, 711, 827
military: commanders, 693, 695, 706, 825-6; risk, 709, 825
ministerial meetings, 700-13, 807-28, 1381-2
non-military co-operation (Article II), 691-2, 698, 706-7, 826
Parliamentary Assembly proposed, 771-83, 827
political consultation in, 714-62; concerning Bermuda Conference, 714-9, 721-6; concerning possible Big Four Conference on Germany, 723-4, 729-37, 740; concerning replies to Soviet notes on Germany, 733-41, 745-50, 752, 760-1
press and public relations, 690-1, 701-3
relations with ANZUS, 791-807
secretariat, 706, 821
Secretary-General, 695-6, 826-7; attendance at Bermuda Conference, 751, 753-60
security: in Pacific, 791-807; in Western Europe, 741, 745-7, 761, 786-7, 789-91, 817, 821
Soviet Union: notes on Germany, 733-5, 745-50, 752, 760; policy of, 707-8, 728-9, 808, 822; reply to proposal for 4-Power talks, 734-5, 745; tactics of, 718-9, 734-5, 741, 819
travel restrictions in NATO countries: consultation about, 1526-9
trends in, 689-700, 716-9
Trieste, 742, 762-71
US and, 704-5; domestic situation in relation to, 816; EDC Treaty, 816, 823; European security, 746, 749, 808, 810; global security, 803; Indochina, 786-7; Pacific security, 791-807; political consultation in, 714-61 *passim*; proposed Parliamentary Assembly, 779-80; Trieste, 762-71

NORTH PACIFIC HALIBUT FISHERY CONVENTION: *see under* US (economic issues)

NORWAY: and proposed NATO Parliamentary Assembly, 771-83

O

OEEC: *see* Organization for European Economic Cooperation

ORGANIZATION OF AMERICAN STATES: membership in, 1613-8, 1621-4; observer status at, 1613-7, 1619-24

ORGANIZATION FOR EUROPEAN ECONOMIC COOPERATION (OEEC)
effect of Commonwealth Economic Conference proposals on, 1308-12, 1314-8, 1326
European Payments Union
effect of Commonwealth Economic Conference proposals on, 1317
future of, 1319, 1324-6, 1332-3; during transition to convertibility, 1338, 1353-4
Managing and Steering Boards: reports, 1324-5, 1348-50
ministerial meetings, 1327-33, 1353-60
programme of work: convertibility, 1327-40, 1353-4; dollar import restrictions, 1340-60; trade liberalization, 1327-40

P

PJBD: *see* Permanent Joint Board on Defence *under* US (defence)

PACIFIC SECURITY, 791-807

PAKISTAN: *see also under* Commonwealth; and General Assembly of UN Resolution on Chinese Nationalist troops in Burma, 303-5

PALESTINE REFUGEES, 427, 496-515

PERSONNEL POLICY: *see under* UN secretariat

PERU: air agreement, 874-84

PETSAMO NICKEL MINES: *see under* Soviet Union

PINETREE LINE: *see under* US (defence)

POLAND: art treasures, 1535-51; customs evaluation, 1530, 1551-61; as member of Neutral Nations Repatriation Commission, 72, 80

PRIME MINISTER'S TOUR: *see under* Commonwealth

S

St. Lawrence Seaway: *see under* US

Secretary-General of United Nations: appointment of, 315-25

Security Council of the United Nations
and appointment of Secretary-General, 315-25
and discussion of Burmese complaint in, 303
Indochina situation: possible reference to, 1565
positions: of Australia, 1571-2, 1577; of Canada, 1565-6, 1577, 1582; of UK, 1566, 1571-2, 1575-8; of US, 1565, 1567, 1569-70, 1577
Jordan-Israel border problem, 445, 1438-1442
Thailand appeal concerning invasion of Laos, 1570-7; possible effect on Korean settlement, 1574

South Africa, 337; racial policies discussed in UN General Assembly, 425-7, 439-40

South America: *see* Latin America

Southeast Asia: Consultative Committee on Economic Development in, 920-34; Joint Military Staff Agency, 798-807 *passim*; security in, 791-807

Soviet Union: *see also under* NATO
appointment of ambassadors, 1481-2, 1484, 1490
defence: capabilities, 1094-5, 1467-9; hydrogen bomb, 1067, 1073, 1077-8, 1097, 1468-9; possible tactics, 1094
and Far East problems, 746-7
foreign affairs: death of Stalin, 1449-50; evidence of new attitude, 1457-67; foreign policy trends, 707-8, 728-9, 808, 822, 1094
and Formosa, 283
and General Assembly of UN: peace gestures of new leadership, 326-9; position during 7th Session debates, 58-60, 326-7
and Germany, 738, 749-50, 808, 816; reply to proposal for Big Four talks, 734-5, 745; security guarantees, 815; Soviet notes on, 732-41, 744-50, 760-1
internal affairs: death of Stalin, 1449-50; governmental reorganization, 1470-80; influence of Army, 1456, 1476-8; strategy of Stalin, 1470-80 *passim*; transfer of power, 1450-6, 1470-80 *passim*
and Korea: Political Conference, 94, 150-4, 241-9, 266-7, 273-80, 808-9, 1482; prisoners of war trials, 58; Republic of Korea attitude towards, 270-2, 276
Mutual Aid: negotiations for repayment of debt, 1491-2, 1497-1516
Petsamo nickel mines, 1492, 1496, 1517-24
strategic analysis: effect of hydrogen bomb, 1467-9
travel restrictions: consultation in NATO, 1526-9

Special United Nations Fund for Economic Development: *see under* Economic and Social Council of the United Nations

Switzerland: and Neutral Nations Repatriation Commission, 70-1

Syria: establishment of Republic of, 1445-8

T

Thailand
and invasion of Laos
appeal to UN Security Council, 1570-80, 1582
Peace Observation Commission, 1571-3
views of: Canada, 1564-6, 1573-4, 1577, 1579, 1582; of UK, 1576-8
Joint Military Commission: for evacuation of Chinese Nationalist troops from Burma, 357-75 *passim*

Torbay: *see under* US (defence)

Trusteeship and Non-Self-Governing Territories, 338, 431-2, 442-3

Tunisia: *see under* colonial questions

Turkey: commercial relations, 1422-7

U

UK: *see* United Kingdom

UN: *see* United Nations

US: *see* United States

Under-developed countries: disarmament and, 342, 344-6; discussed at General Assembly, 421, 429-30, 440-1; economic development of, 345-50; and Special United Nations Fund for Economic Development, 340-50

United Kingdom: *see also under* Commonwealth (Prime Ministers' meeting) *and under* NATO (EDC)
Anglo-Egyptian relations, 709, 744, 816, 1004-5
Bermuda Conference, 714-9, 721-6, 750-60, 815-28 *passim*
Big Three Foreign Ministers' meetings, 725-31, 740-50
and Burma, 301-5
convertibility, 988, 1327-40, 1353-4
economic relations with: civil aviation discussions, 884-92; interest-free loan (1942) repayment, 961, 965-6; sale of

cheese, 962-3, 967-73; sale of salmon, 962-3; trans-Atlantic telephone cable construction, 973-9; UK-Canada Continuing Committee on Trade and Economic Affairs, 964-5
and EDC, 783-91
Korea
consultations: by US (16-Power Group), 74-6, 86-8, 97-9, 101-2, 142-56, 160-7, 177-9, 184-90, 206-8, 211-2, 217-20, 222-4, 227-30, 247, 260-2, 271-6; with Commonwealth delegations at General Assembly of UN, 172, 214-54 *passim*, 263-4
Political Conference: views on, 115-7, 119, 150, 157-8
reconvening of 8th Session of General Assembly of UN, 141, 143, 253-4
and OEEC, 1308-1322; trade liberalization and convertibility, 1327-40, 1353-4
tariff negotiations with Cuba, 634-6, 638-41
and trade liberalization: US attitude towards, 999-1000, 1009
and Tunisia: position on, 284-8

UNITED NATIONS
Charter, 380, 426, 816; revision, 423
ECOSOC: *see* Economic and Social Council of the United Nations
elections to Councils, 332, 336
General Assembly: *see* General Assembly of the United Nations
Indochina, 1564-6, 1568-9
Korea: *see under* Korea (General Assembly)
new members: admission, 338, 422-3
Palestine Truce Commission, 1436-7, 1440
secretariat: personnel policy, 282, 292-6, 330-1, 338, 439, 443-5
Administrative Tribunal
awards by, 375-405 *passim*, 443-5
jurisdictional issue, 376-90 *passim*, 395
reference of: to *ad hoc* judicial body, 378, 383, 392-3; to International Court of Justice, 390-405 *passim*
resolution on, 396-402, 405
Secretary-General's report on, 292-6, 375-81, 386-9; amendment of staff regulations, 375-89, 399, 403-4, 444-5; and Fifth Amendment, 375
Secretary-General
appointment of, 315-25; report on, 316-35; Secretary of State for External Affairs as possible candidate, 316-25
relationship to Administrative Tribunal, 378, 384, 387, 391, 403-4
report on personnel of secretariat, 293-6, 375-404 *passim*
resignation of, 282
Security Council: *see also under* Security Council of United Nations; elections, 336
Trusteeship Council, 336, 338

UNITED NATIONS CHILDREN'S FUND (UNICEF): elections, 446-7; contribution to, 515-9

UNITED NATIONS COMMISSION FOR UNIFICATION AND REHABILITATION OF KOREA, 248-55 *passim*

UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION: elections, 574; security checks, 575-6

UNITED NATIONS EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE, 520-43

UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES, 496-515

UNITED STATES: *see also under* Korea *and under* NATO
Burma: Chinese Nationalist troops in, 297-300, 303-6, 358, 361-4, 366-75
civil aviation: attitude to ICAO, 835; non-traffic rights for TCA at Tampa, 853-73
defence
aircraft interception agreement, 1019-23
Arctic: air strips, 1049-53 *passim*, 1121; sovereignty, 1047-53; weather stations, 1049-53 *passim*, 1118-21
atomic weapons cooperation, 1103-4
CF105, 1024
continental
Canada-US: consultation, 1064-88 *passim*, 1093-1104; Military Study Group, 1060, 1064, 1069, 1077, 1082-7, 1092-1104 *passim*
and NATO, 1085, 1087, 1095
press reports, 1065-73, 1077-9, 1084, 1089-92, 1096-7
radar defences (Distant Early Warning and mid-Canada Line), 1049-1155 *passim*; Lincoln project, 1049, 1063, 1069, 1083, 1092-3; McGill Fence, 1052, 1086, 1092-3, 1097; Pinetree Line, 1032-46, 1057, 1082; Project Counterchange (Corrode), 1053-70, 1082-3
and Soviet: capabilities, 1094-5; hydrogen bomb, 1067, 1073, 1077-8, 1097, 1467-9; possible tactics, 1094
Goose Bay, 1027-8

Haines-Fairbanks Pipeline, 1005-18; and British Columbia, 1106-10, 1116-8; PJBD and, 1107, 1110; US participation, 1106-16
Loran stations, 1031-2, 1049, 1051-3, 1122
Northeast Command, 1025-6
Permanent Joint Board on Defence, 1080-1; aircraft interception agreement, 1019-23; Military Cooperation Committee, 1027, 1080-1; Pinetree Line, 1032-44 *passim*; radar defences, 1053-6, 1063-4, 1079, 1095, 1099, 1101; Torbay, 1028-31
economic issues
commercial policy, 991-6, 1009-10, 1181, 1249
free trade area proposed, 1007-8, 1224, 1226-7, 1230-3
import restrictions: dairy products, 1006-7, 1177-97; oats and groundfish fillets, 1008, 1237-59
Joint Committee on Trade and Economic Affairs proposed, 1008, 1224-37
lead and zinc, 1007
impact on Canada, 1218, 1220-1; impact on defence requirements, 1216-7, 1221; proposed increase in duties, 1216-7, 1222-3, 1248-9
meat products: removal of controls, 1197-1201
natural gas: export to US, 1202, 1205-15; import to Canada, 1209-14
North Pacific Halibut Fishery Convention, 1259-61
Eisenhower Administration, 980-1
Eisenhower Plan, 489-95, 816
and European Defence Community, 785-7
exchange of views on: Anglo-Egyptian relations, 1004-5; atomic energy, 1012; commercial policy, 999-1000; Communist China, 983-5, 1015; consultation with allies, 982; continental defence, 988, 1001, 1005, 1012, 1015; economic relations, 1006-10, 1012, 1015; EDC Treaty, 986; Formosa, 983-5; free trade, 1007-8, 1224, 1230-3; General Assembly of UN, 987-8; Germany, 985; Indochina, 983-4, 996-7, 1003-4; Korea, 983-5, 997-9, 1003-4, 1010; NATO, 986-7, 1001-3, 1012, 1014; PJBD, 1012; St. Lawrence Seaway, 988, 1000-1, 1006, 1010-1; Soviet Union, 982, 987, 996, 1004, 1013; Thailand, 1003; Trieste, 1014; UK proposals on convertibility, 988, 1009; Yalta Agreement, 985
Great Lakes system
Gut Dam claims: immunity issue, 1261-92
high water levels: Long Lac and Ogoki diversion, 1292-7; and St. Lawrence Seaway, 1168-70, 1296
and Indochina situation, 1564-7, 1569-71
international economic problems: role in, 989-96, 999-1000, 1008-10, 1232, 1243, 1247
International Joint Commission: *see under* Great Lakes system *and also under* St. Lawrence Seaway; Niagara Falls works, 1298-9
meetings of Big Three Foreign Ministers, 725-31, 740-5
St. Lawrence Seaway
construction: possible participation of US in, 1006, 1224-31; US legislation, 1123, 1126, 1128, 1130-1, 1136, 1139-40, 1144, 1151, 1157
International Joint Commission, 1150, 1153, 1165, 1168-70
International St. Lawrence River Board of Control, 1154-65
St. Lawrence River Joint Board of Engineers, 1153-60, 1165, 1172-6; constitutional issue, 1155-6, 1162, 1165, 1172-3
International Power Development Act, 1149-50
power development
Federal Power Commission proceedings, 1131, 1134, 1141-2, 1144-6, 1149-53; designation of New York State Power Authority, 1173; judicial review, 1153, 1155-61, 1164-8, 1171, 1177
need for, 1124, 1126, 1128, 1130-1, 1133, 1136, 1138-9, 1148, 1169
representations by Canada to US, 1131, 1133-7, 1140-1, 1143-6, 1152, 1156-7, 1159, 1161-2, 1166, 1168, 1172
St. Lawrence Seaway Authority Act, 1150-1
trans-Atlantic telephone cable construction, 973-9
United Nations
8th Session of General Assembly: positions at, 423-5, 437; speech of President at, 436, 489-93
personnel problems at secretariat, 293-6, 375-405 *passim*

URUGUAY: accession to GATT, 1639; import restrictions, 1634-42

V

VIETMINH: invasion of Laos, 1562-6; offensives in Indochina, 1562-6, 1576, 1579-82 *passim*

VIETNAM: attitude towards membership in Colombo Plan, 924-5

W

WHEAT: for India, 943-4; International Wheat Agreement, 643-88; for Pakistan, 949-50, 953-61

WORLD HEALTH ORGANIZATION, 576-605

Y

YUGOSLAVIA: and Trieste, 742, 762-71